

PART VI – CITIZEN PARTICIPATION

CITIZEN PARTICIPATION

Citizen Participation Plan

Requirements for State: CTED

The citizen participation requirements for state governments receiving HUD funds are located under 24 CFR 91.115. According to HUD's requirements, the participation plan must provide for and encourage citizens to participate in the development of the consolidated plan, any substantial amendments to the consolidated plan, and the performance report. Based on these requirements, CTED has established the following procedures for ensuring effective public participation.

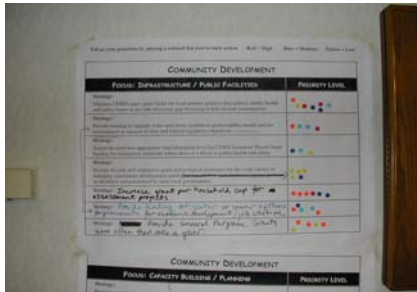


Chart Showing Public Input at Regional Meeting for this Consolidated Plan

Photo Courtesy CDBG Program/CTED

Consultation

1. Local Governments, advisory groups, program stakeholders, other state agencies and interested citizens will be consulted during preliminary development of the consolidated and action plans. They, and others, will also be consulted in the event amendments are necessary to the consolidated or action plans.
2. State and federal agencies will be consulted when changes could affect or change the way state managed HUD resources work with existing program structures.

Meetings and Notice of Meetings

1. When developing the consolidated plan or when there are significant proposed changes to policy or program design, CTED will convene a focus group(s), workshop(s) or public meeting(s) to seek input. Whenever feasible, CTED will conduct multiple meetings to gather broad public comment and input.
2. Meetings will be located on both the east and west sides of the state when appropriate and feasible, otherwise the meeting will be held either on the west or east side of the state.
3. The meeting location(s) will be barrier-free and a contact person will be specified to provide special accommodations upon request.
4. Notices of meetings will be posted on CTED's website and distributed 14-days in advance through electronic mail to applicable citizen participation distribution lists maintained by the Housing, Local Government or Economic Development Divisions. Notices of meetings, when appropriate and feasible, may also be distributed through the mail and published in one or more newspapers of general circulation.



Consolidated Plan Regional Meeting
Yakama Nation Cultural Heritage Center
Toppenish, Washington
Photo Courtesy CDBG Program/CTED

Public Hearings and Publication Information

1. At least one public hearing will be conducted on housing and community development needs before the proposed consolidated plan is published for comment.
2. Public hearing locations will be barrier-free and a contact person will be specified to provide special accommodation to citizens that request it.
3. Notices will be posted on CTED's website and distributed through electronic mail to applicable citizen participation distribution lists maintained by the Housing, Local Government, or Economic Development Divisions 14-days in advance of the public hearing. Notices will also be sent by mail to local government, 14-days in advance of the public hearing and published in at least four regional newspapers of general circulation or business journals, 14-days in advance of the public hearing.
4. Notices will describe locations, times, purpose of the public hearing, and invite people with special needs to contact a specified person to make appropriate arrangements.
5. Generally, public hearings will not be necessary for amendments.
6. In the event that a program component is added or eliminated, several non-grammatical changes are needed, or the state determines it would benefit from a public hearing, a public hearing or set of public hearings will be conducted by CTED, which may be conducted by video conferencing through local video conferencing facilities.

Amendments to the State's Method of Distribution

Amendments to the Consolidated Plan are necessary at least once each year as a means of proposing and updating the state's method of distributing HUD funds. Annual amendments to the state's Consolidated Plan are called the Action Plan. In addition, amendments will be necessary when new funding programs are available and need to be incorporated into the five-year Consolidated Plan prior to implementation. Amendments to the Consolidated Plan will be necessary when:

- Funding amounts are ten percent more or less than amounts anticipated in the Action Plan; or,
- Components of the programs within the Consolidated Plan or Action Plan are proposed to change significantly in scope (such as eliminating a component or changing the method of distribution of funds).

Opportunity to Examine Consolidated Plan or Amendment

1. Interested parties will be able to examine a copy of the proposed consolidated plan or amendment at CTED's office in Olympia, at specified libraries and public places, or request a copy from a designated contact person. A copy of the plan or amendment will also be posted on CTED's website.
2. Copies will be made available in a form accessible to persons with disabilities upon request.
3. Notices of the availability of the proposed consolidated plan or amendment for review will be posted on CTED's website and distributed through electronic mail to applicable citizen participation distribution lists maintained by the Housing, Local Government, or Economic Development Divisions in advance of the publication of the proposed plan or amendment. A notice will also be published in at least two regional newspapers of general circulation or business journals, in advance of the publication of the proposed consolidated plan or amendment.
4. Notices will include a summary of the proposed consolidated plan or amendment that describes the contents and purpose of the consolidated plan or amendment, and will include a list of the locations where copies of the entire proposed consolidated plan or amendment may be examined.

Comments on Consolidated Plan and Amendments

1. CTED will allow at least 30 days for public comment on the proposed consolidated plan or amendment and will consider comments received in writing during the comment period, or orally at the public hearing, before preparing the final consolidated plan or amendment.
2. CTED will respond to each comment received during the public comment period and from the public hearing.
3. A summary of these comments or views, and a summary of any comments or views not accepted and the reasons therefore, will be attached to the final consolidated plan or amendment submitted to HUD. Similar comments may be combined, in which case the number of people or organizations that concur with the issue as expressed will be specified.

Performance Reports

1. Performance Reports will be complete and available for review at least 21 days prior to when they are submitted to HUD.
2. Notice of report availability and the name of a contact person will be distributed through electronic mail to applicable citizen participation distribution lists maintained by the Housing, Local Government, or Economic Development Divisions.
3. CTED will allow at least 15 days for public comment and will consider comments received in writing during the comment period, or orally at any public hearing, before submitting the performance report to HUD.
4. A summary of these comments or views will be attached to the performance report submitted to HUD. Similar comments may be combined, in which case the number of people or organizations that concur with the issue, as expressed, will be specified.

Access to Records

Citizens, public agencies, and other interested parties will be provided with reasonable and timely access to information and records relating to the state's Consolidated Plan, all subsequent amendments, and the state's use of assistance under the programs covered by the Consolidated Plan during the preceding five years. Requests for information may be submitted to:



CDBG Program

Department of Community, Trade, and Economic Development
128 10th Avenue Southwest
Post Office Box 42525
Olympia, Washington 98504-2525

Complaints

Written complaints and grievances regarding the Consolidated Plan or its subsequent amendments will be logged in by the appropriate person, then forwarded through the correct channels and monitored for resolution and timely response.

The CDBG complaint procedure provides for CDBG program staff to conduct follow-up research, including notification to the jurisdictions, and to write a response to the complainant. When possible, the complainant will receive a written or oral response within 15 working days.

The Managing Director may also treat the complaint as an administrative review when the complaint is related to CDBG staff interpretation of program policies or rules. An administrative review may take longer than 15 working days to complete; the

complainant will be notified when a complaint is going to receive administrative review and will be provided an estimate of time needed for a response.

Availability of Plan

The draft *Washington State Consolidated Plan 2005 - 2009* was made available by phone or email request and on CTED's website beginning September 29, 2004. The formal comment period began on September 29th and ended at 5:00 PM on November 1, 2004. The final proposed *Consolidated Plan* will continue to be available by request and on the CTED's website.

Requirements for Local Jurisdictions

The Washington State CDBG Program requires that jurisdictions demonstrate within their initial application for CDBG funds, that they have met the program's Citizen Participation requirements. Documentation must include, the jurisdiction's process for seeking and obtaining citizen participation leading up to application submittal, the process for ensuring ongoing citizen participation, and a grievance procedure.

Based on the federal citizen participation requirements outlined in 24 CFR 570.486, the minimum requirements for the submission of a CDBG application are:

1. Conduct at least one public hearing prior to submission of the CDBG application. This hearing must be held at a convenient time and location to encourage citizen participation.
2. Publish an official announcement of the hearing, providing reasonable advance notice. A sample public hearing notice with required language is available from CTED upon request.
3. Distribute information on the availability of CDBG funds and the eligible uses at the public hearing. Sample fact sheets are available from CTED upon request.
4. Review local demographic data to determine if it is reasonable to expect a significant number of non-English speaking residents to participate in the public hearing and advertise and conduct the public hearing in accordance with this determination. Detailed guidance on providing and documenting outreach and accommodation for non-English speaking residents is provided in the application handbooks and available from CTED upon request.
5. Adopt a grievance procedure for the use of CDBG funds. A sample grievance procedure is available from CTED upon request.
6. Document that the notice was published and the hearing was held. A documentation checklist is provided below.

The required citizen participation documentation to be submitted with the application includes:

- A copy of the public hearing minutes, including a statement that the CDBG required handouts were distributed.
- A copy of the affidavit of publication or the notice from the paper.
- The Outreach and Accommodation for Non-English Speaking Residents form, documenting the review and determination of local data on non-English speaking populations, the list of outreach steps (if applicable) and accommodations made.
- A copy of the jurisdiction's adopted Grievance Procedure.*

Public Comment

Public Hearings Summary

Four public hearings were held on housing and community development needs. The following is a list of the dates and location of the public hearings and the number of attendees.

Date	Location	Number of Attendees
September 8, 2004	Spokane	5
September 8, 2004	SeaTac	15
September 10, 2004	Vancouver	1
September 10, 2004	Wenatchee	5

The following is a summary of comments received during the four public hearings. They are categorized into 8 broad categories that begin with housing issues and end with non-housing community development issues. Comments that contained recommendations for a change to program policy or fund distribution are summarized and then followed by CTED's response. Comments that suggest areas that could be improved in subsequent plans or planning processes will be used in developing next year's Action Plan.

Topic: Priority for Extremely Low-Income Households

<p>Four people specifically mentioned giving priority to extremely low-income households (30% or less) because this income group is the most impacted of all low-income households who are severely cost burdened (pay more than 50% of their income for housing).</p>	<p>CTED Response: We agree that extremely low income households who are severely cost burdened should be a priority and have accordingly designated all renter households, with incomes at or below 30% of the area median income, as a high priority in our federally funded housing programs. Homeowners, with incomes at or below 30% of the area median income, are a high priority in our home repair and rehabilitation program.</p>
<p>Other attendees noted that the state could do a better job of serving our lowest income residents and that CTED should engage stakeholders in a discussion on how more projects serving the lowest income residents could be developed.</p>	<p>CTED has developed a specific strategy to address our management information system and over the next five years will be enhancing our data collection and reporting system on service to households by income levels. We intend to use the Consolidated Annual Performance and Evaluation Report process to engage stakeholders in a discussion over how well we are serving our lowest income residents and what improvements may be needed as part of our annual update of the Consolidated Plan.</p>

Topic: Priority for Homeless and Special Needs HHs

<p>Four people advocated giving priority to people who are homeless and households with special needs. They maintained that the housing needs of the homeless and those at risk of homelessness are qualitatively more severe than for other higher income households.</p>	<p>CTED Response: CTED gives a high priority for all households, both renters and owners with incomes between 0-30 percent of area median income. We will continue to make our programs available to address locally identified needs although HOME rental development funds may not be used to fund emergency shelters. HOME funds may be used to develop transitional housing or supportive permanent housing for people with special needs. Additionally, we are proposing that Tenant Based Rental Assistance contractors have the option to establish a preference for people who are homeless. We will seek to increase state and federal resources so that those in greatest need can be assured of decent, safe and affordable housing for themselves and their family members.</p>
<p>Other recommendations were to direct more funding for both shelters and longer term housing and to provide more funding for services, specifically using CDBG funding of public services for supportive services.</p>	<p>CTED Response: In addition to the response above, CDBG will continue to consider funding requests to fund supportive services through a CDBG Public Service Grant to the local community action agency or as part of a comprehensive project through one of the CDBG construction funds.</p>

Topic: Homeownership

<p>A participant felt that homeownership assistance was particularly important in rural areas for households between 51 to 80 percent of the area median income.</p>	<p>CTED Response: We have given a high priority for homeownership programs serving households with incomes between 31 to 50% of the area median income and a medium priority for households with incomes 0 to 30 percent of the area median income and 51 to 80 percent of the area median income. This provides maximum flexibility for homeownership programs using American Dream Downpayment Initiative (ADDI) funds to assist households up to 80% of the area median income.</p>
<p>Another felt the state should offer renters the opportunity to become homeowners. Renters should have the chance to build equity and to borrow against that equity so their kids could go to school.</p>	<p>CTED Response: We agree that homeownership assistance is an important part of the continuum of housing services that should be addressed with our federal resources. In particular we were struck with the barriers faced by households who are disabled and who were often left out of homebuyer opportunities because of the perception they cannot succeed as homeowners. We have seen how households with a disability can succeed in first time homebuyer programs and so are phasing in increased use of ADDI funds for this target population. While we have established a priority use of ADDI funds for disabled households, we will not overlook non-disabled homebuyers who need help in acquiring their first home. Any funds remaining at the end of the year that are not awarded for homebuyer programs serving people with disability, will be contracted to the Washington State Housing Finance Commission to serve households at or below 80% of the area median income.</p>

Topic: Housing Preservation

<p>There was a recommendation that the state should increase resources to preserve federally assisted housing (Rural Development or Section 8) to ensure that people are not displaced from these types of affordable housing units.</p>	<p>CTED Response: We will continue to make funds available to preserve federally assisted housing.</p>
<p>At least four people urged CTED to address housing preservation needs in the state. This is a concern particularly in eastern Washington where there is great interest in housing rehabilitation. In many rural communities, the housing stock cannot meet Housing Quality Standards. Preservation of single-family housing is acute. In some communities new code requirements force homeowners to repair their homes in order to meet new zoning codes. This underscores need for housing rehabilitation.</p>	<p>CTED Response: At least 25% of HOME funds are allocated to the Home Repair and Rehabilitation Program (HRRP) in recognition of the need for housing preservation. To further address this area we have committed to developing a more seamless and coordinated approach to housing preservation of owner-occupied housing that will involve pooling HOME, HTF and CDBG funds for this purpose. We will have more specific action steps in this area in subsequent updates to the Consolidated Plan. We are taking the next year to bring together staff and stakeholder groups to discuss this idea in more detail.</p>
<p>Another commented that the state's CDBG and HOME programs should coordinate not only on owner-occupied properties but on investor rental properties as well.</p>	<p>CTED Response: Program staff wanted to focus on owner-occupied housing first in order to build a strong collaborative working relationship. CTED will certainly explore collaborating on investor rental properties once an effective model has been developed and successfully implemented.</p>

Topic: Farm worker Housing

<p>One person expressed support for CTED's efforts to address housing needs that result from a variety of seasons and harvests and not just the cherry harvest. There has also been a good investment in longer-term housing as opposed to just short-term needs.</p>	<p>CTED Response: We are pleased at the support for this flexible approach. CTED will continue to work with local communities to improve performance in this area.</p>
<p>Someone suggested a model to use farm worker housing units, that remain vacant during the winter, as emergency housing for people who are homeless.</p>	<p>CTED Response: This approach has been tried in a few communities. For example Skagit County had worked with a private landlord to implement a similar model. They did enjoy some success at this approach. The key was having adequate housing for the people who were homeless after they had to leave the temporary farm worker housing units. CTED will continue to encourage other communities to try these innovative approaches and will support efforts to share information gleaned from these experimental approaches.</p>

Topic: Coordination

<p>Several individual comments focused on the need for better collaboration with partners in the local community and other public funders. These other resources should be taken into account when deciding on how CDBG and HOME dollars should be used. Spending priorities should reflect the ability of these other sectors to address housing needs along the housing continuum.</p>	<p>CTED Response: We agree that coordination among public funders is important and we need to consider the whole gamut of public and private dollars available to address housing needs of low-income households. The reality is that no one source can successfully address Washington State's housing crisis by itself. More and more, multiple funding resources are needed in order to make housing projects feasible. CTED participates in a number of collaborative partnerships and work groups so that we can maximize the resources at all levels: federal, state, local and private financial institutions. We feel this approach provides the best opportunity for the state to apply its resources in the most strategic manner possible.</p>
<p>Four comments focused on the relation of CDBG to housing issues. The state was encouraged to make greater use of CDBG for housing, to establish a CDBG float loan program to enable non-profits to borrow money from the state to acquire and save low-income housing, and to develop greater linkages between CDBG projects and housing.</p>	<p>CTED Response: The CDBG Program is working directly with the Housing Division to expand coordination and effectiveness in the use of the CDBG Housing Rehabilitation and Housing Enhancement Grant funds. In support of Strategy 1.D.5), we intend to look into the feasibility of CDBG float-funded activity grants for housing projects. Also, the 2005 CDBG General Purpose Grant application handbook was revised to clarify the housing activities that are eligible for funding.</p>

Topic: Supporting the Housing Continuum

Eight people suggested the state look at other factors, in addition to the cost burden on low-income households, in setting housing priorities. Two people suggested the state not rely solely on income mechanism to set priorities. Clearly the lower the income, the greater the need, however, there are other aspects that are important to an individual and the community. Individual and community health and economic diversity within a community are important and sometimes that means expenditure of public funds along a broader spectrum than just the very low-income.

At least four people specifically disagreed with targeting 75% of the federal funds for households with incomes at or below 30% of the area median income and with limiting funding to households at or below 50% of the area median income. They contended that different parts of the state had different housing market conditions and CTED should not restrict services by income category alone.

Six other people pointed out that the viability of the project or program is another major concern. Narrowing the targeting to a very low income population or a certain kind of project, decreases both the long-term viability of the project itself and the ability of the provider to sustain its own operations, without very deep and continuing subsidies. The trend nationally is mixed income housing. CTED should not focus so much on the lowest income households that it impairs the viability of the project. Studies have shown mixed income projects are usually good for communities.

CTED Response: We found similar views expressed at the regional meetings held earlier in the year on the Consolidated Plan. Accordingly we have retained the flexibility at the state level to address locally identified housing needs and the ability to address significant housing gaps in communities for households earning 51 to 80 percent of the area median income. In doing this, CTED will take into account other factors in addition to serving the lowest income households (those making at or below 30% of the area median income).

CTED will continue to track project awards and services to households by income category. We are committed to addressing the various housing markets across the state. We will also work with community members and other public funders to review our program performance on an annual basis and we will strive to make improvements in our priority setting process, if our current strategies create significant gaps or problems.

Topic: Miscellaneous (Other suggestions made during the public hearings)

Use more flexible state dollars (i.e. HTF) to fund Home Repair and Rehabilitation Program (HRRP) activity in lieu of HOME, because HUD "strings" are an excessive burden.	CTED Response: Any program that ultimately received HOME funding would have to cope with the "strings" that come with HOME. While contractors under the HRRP would be relieved of these regulations, another program would be faced with the same circumstance of having to comply with additional federal requirements. CTED would merely be faced with a different set of contractors who would be dissatisfied with having these extra rules to follow. Instead, CTED will continue to work with the current recipients of HOME funding and provide technical assistance and training so that compliance with HOME requirements is more easily achieved.
Ensure "fair share" of HOME funding for rural communities.	CTED Response: All funds dedicated to TBRA and HRRP go to areas that are not served by a local HOME participating jurisdictions. This represents approximately 48% of the HOME funds. All of the ESG and HOPWA funds go to areas not receiving ESG and HOPWA formula funds directly from HUD. These are areas that we commonly refer to as the "balance of the state" and include counties that are Non-Metropolitan Statistical Areas (MSAs).
Direct use of Tenant Based Rental Assistance (TBRA) funding for special needs populations.	CTED Response: We will allow TBRA contractors to create a special preference for people who are homeless in the TBRA program. Contractors are also able to establish other preference categories such as preference for special needs populations, as long as sufficient need information is submitted to justify targeting of TBRA funds for these populations.
Designate a greater percentage of HOME dollars for TBRA.	CTED Response: We have increased funding allocation to TBRA by \$1,000,000.

Topic: Miscellaneous (Other suggestions, continued)

Allocate HOME funds primarily to serve the needs of folks at or below 50% of area median income.	CTED Response: Approximately 55 percent of the HOME funding is targeted to households at or below 50 percent of the area median income.
Restrict use HOME funds to serving households at or below 50% of area median income.	CTED Response: We have chosen not to limit our ability to serve households 51 to 80 percent of area median income.
Use the largest share of its HOME funds to develop rental housing rather than promote first-time homebuyer programs.	CTED Response: We have set aside approximately \$500,000 of HOME funds that will be used as match for ADDI funds targeted to assisting disabled households become first time homebuyers. This is less than 5% of the total HOME allocation.
Retain public investments as long as possible, ideally in perpetuity. Funding should go to non-profit or rental housing.	CTED Response: HOME, ESG and HOPWA have terms of commitment that have been designated by HUD. We have chosen not to extend the length of commitment beyond what HUD requires because of the administrative burden incurred by requiring service to the targeted population in perpetuity. However, the ADDI and HOME funds used to assist homebuyers will include a resale or recapture provision in order to continue service to low income households and CTED will examine the pros and cons of each approach.
Save mobile home parks that provide affordable housing for low-income workers and seniors.	CTED Response: This is an eligible activity under the HOME rental development and preservation program. Housing developers and organizations are free to submit a proposal for consideration in the HTF's funding round and CTED will seriously consider the need for this type of project and the project's feasibility.

Topic: Miscellaneous (Other suggestions, continued)

Provide technical assistance to accompany many of the programs.	CTED Response: CTED has contracted with Impact Capital to assist in the provision of technical assistance to housing organizations statewide. Additionally, we remain in close contact with HUD officials and recommend projects or organizations for technical assistance under the resources that the local HUD regional office controls.
Create a thorough inventory of all our existing portable housing stock and carefully assess our future housing development capacity.	CTED Response: This is strategy that is included in our Strategic Plan. See Goal 4, Objective A.1.
Support citizen participation activity to help identify needs and priorities in the state.	CTED Response: We received a number of suggestions for improving citizen participation in our planning processes and in reviewing our program performance. We intend to continue to make improvements in this area and have re-written our citizen participation plan to clarify our planning processes and strategies for gathering community input.
Develop a better tracking system on how set-asides are spent.	CTED Response: Per strategy 4.A. 1) and 2) CTED will continue to improve its management information systems.
Look at the viability of the Rural Washington Loan Fund and the new market tax credits, as opposed to funding a micro-enterprise program, to better leverage dollars and create/retain jobs.	CTED Response: Per strategy 1.C. 2) and 4) Business Finance Unit staff intend to conduct an assessment of local revolving loan funds and identify sources of funds and increase the availability of loan resources.

Comment Period: Comments Received and CTED Responses

October 15, 2004

FROM: Dini Duclos
CEO
Multi-Service Center

TO: Suzanne Klenk
CTED

SUBJECT: Comments on the 2005-2009 Consolidated Plan

Overall I think this plan is very well researched and documented. It is very clear in its goals and action plans and steps.

I do however have a few concerns with respect to Performance Measures on page II-13, Rental Housing. Specifically 2.a.1. to develop 35 units of housing for elderly rental households at 31% to 50% or below the area median income seems terribly low. Especially when you unmet need is cited at 87,498 on page II-19. Also, on the same page your targets for multi-family housing in all median income areas seems very low.

Are these minimums you will do or the maximum?

Also on the same page does THOR/THORA provide enough funds to do all the rental assistance you indicate in the report or do you have other sources of funding for this?

Finally, on page II-40 under the NON PROFIT DEVELOPERS AND CAPACITY BUILDERS, you list the non-profit developers as Seattle Housing Development Consortium. Actually, the legal name is the Housing Development Consortium of Seattle-King County. Please correct that mistake.

Thank you.

Dini Duclos
didid@multi-servicecenter.com
CEO, Multi-Service Center
1230 S 336th Street
Federal Way, WA 98003
253-835-7678X101
Fax: 253-835-7511



STATE OF WASHINGTON

DEPARTMENT OF COMMUNITY, TRADE AND ECONOMIC DEVELOPMENT
128 - 10th Avenue SW • PO Box 42525 • Olympia, Washington 98504-2525 • (360) 725-4000

October 28, 2004

Ms. Dini Duclos
Multi-Service Center
1230 S 336th Street
Federal Way, Washington 98003

Dear Ms. Duclos:

Dini

Thank you for your comments of October 15, 2004 on the proposed Washington State 2005 - 2009 Consolidated Plan. We appreciate the time and effort spent in reviewing the proposed plan and I hope the following directly responds to your questions and concerns.

The housing performance measures in the Consolidated Plan primarily relate to the HOME, Emergency Shelter Grants (ESG) and Housing Opportunities for People with AIDS (HOPWA) programs. While the estimated need for housing is great, we are only establishing minimum goals that we feel can be achieved based on the funding anticipated from HUD. The performance goals for the Housing Trust Fund (HTF), in general, are not included in the Consolidated Plan. There are a few exceptions. For example, goals for farm worker housing units were included in the Consolidated Plan because we deemed it important to highlight this key state initiative.

To derive the performance goals for multi-family housing units we looked at our past performance in the last two funding rounds and assumed a cost of \$20,000 per unit, \$40,000 per unit for special needs housing, and approximately \$3.5 million in HOME funds for rental development and/or preservation. In some categories we did not have historical data to help guide us in setting goals. For example, we do not have any historical data on the number of units for small size and large size renter households. In these instances we made our best guess as to the number of units that would be funded in these categories. We plan to improve our data collection system so that we can track our actual accomplishments in these areas to help us develop more realistic projections in the future.

You also asked whether the goals for rental assistance were realistic given the amount of Transitional Housing, Operating and Rent (THOR) Assistance funding. The goals that are listed in 2.B.3 on page II-13 of the proposed Consolidated Plan relate to the Tenant Based Rental Assistance (TBRA) program and not the state funded THOR program. The projected service levels are based on the amount of HOME funds we have allocated to the TBRA program. If CTED receives a similar level of HOME funds for 2005, these goals for TBRA should be



Dini Duclos
October 25, 2004
Page 2

realistic. These service levels include households receiving deposits only and that might explain the somewhat high service levels that caught your attention.

Thank you for pointing out the correct title for the Housing Development Consortium of Seattle-King County. This correction will be made in the final Consolidated Plan submission to HUD.

Thank you again for your comments and observations on the Consolidated Plan. Your questions have helped identify those areas that may be confusing to other readers. We added a few notes to the narrative in the Strategic Plan to help explain the specific focus of the Consolidated Plan on HUD funded programs. I hope my response addresses your concern over our performance goals. I appreciate the dedication and work of the Multi-Service Center in meeting the needs of our most vulnerable households in Washington State. I look forward to continuing to work with you and others in bringing an end to the affordable housing crisis in our state.

Sincerely,



Stephen H. Buxbaum
Assistant Director
Housing Division

RECEIVED

SEP 24 2004

HOUSING SERVICES



**Washington State Coalition
for the
Homeless**

P.O. Box 955
Tacoma
Washington
98401
253-572-4237
wsch@earthlink.net

September 23, 2004

Stephen H. Buxbaum
CTED
Housing Division
PO Box 42525
Olympia, WA 98504-2525

Dear Mr. Buxbaum,

On September 16th and 17th, the Board of Directors for the Washington State Coalition for the Homeless met in Walla Walla, WA for our annual retreat. The Board unanimously voted to share with you our main concern for Washington State's HUD Consolidated Plan.

We ask that Washington State give the highest funding priority to homeless people and those most at risk of becoming homeless, i.e. those earning less than 30% the area median income, in the next five-year HUD Consolidated Plan. We understand there are many different requests for this funding, but as a Coalition working with those who are the most vulnerable, and whose mission is to end homelessness, we feel very strongly that Washington's lowest income residents should be the top priority in drafting the Plan.

In 2003 the fair market rent (FMR) for a two bedroom apartment in Washington was \$788. However, an extremely low-income household earning \$18,816 annually could only afford monthly rent of \$470. (*Out of Reach 2003*; National Low Income Housing Coalition.)

According to Comprehensive Housing Affordability Strategy (CHAS) data, more than 59% of extremely low-income households, those earning 30% or less of the area median income (AMI), are paying more than 50% of their income on housing. This leaves very little left over for other necessities such as food, clothing and childcare.

It stands to reason that these extremely low-income Washington residents are at much greater risk of becoming homeless—if they aren't already—than those earning more than 30% of the AMI.

CHAS data also shows that renters are more severely cost burdened, and at greater risk of becoming homeless than are homeowners. Seventy-seven percent of households earning less than 50% AMI who are paying more than 50% of their income on rent, are extremely low-income. By contrast, only 69% percent of all

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low-income households (less than 50% AMI), including homeowners, who are severely cost burdened, are extremely low-income households. It is not a huge difference, but nevertheless, it is there.

It is imperative that spending in the Consolidated Plan reflect the fact that the housing needs of renter households who earn less than 30% the area median income, are greater than any other low income population in the state.

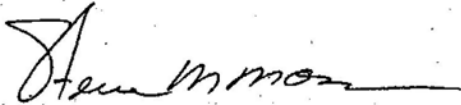
We are pleased to hear CTED's proposal to use a larger portion of its CDBG funding for housing. Providing affordable housing allows for previously disenfranchised, extremely low-income households to contribute more positively to their communities, and in turn, promote community development.

However, I urge you to consider the following specific strategies in drafting the Plan:

- Tenant based rental assistance should receive the same amount of HOME funds as do home repair and rehabilitation, activities which benefit higher income, homeowner households.
- HOME funds should primarily be used to develop affordable rental housing, rather than promoting first time homeowner programs.
- The full 15% of CDBG money for public services (rather than the current 10%) should be used to fund case management, supportive services, transitional and supportive housing. All over the country, communities are finding that placing people in housing that includes customized case management and supportive services is the best and most cost-effective way to help clients achieve self-sufficiency. Please see the Corporation for Supportive Housing website, www.csh.org, for more information.

In order to end homelessness, we must make affordable, rental housing available to *all* of our lowest income residents. By making these residents a priority in the next five-year HUD Consolidated Plan for Washington State, we are taking a huge step toward achieving that goal.

Sincerely,



Steven M. Moss, President



STATE OF WASHINGTON

DEPARTMENT OF COMMUNITY, TRADE AND ECONOMIC DEVELOPMENT

128 - 10th Avenue SW • PO Box 42525 • Olympia, Washington 98504-2525 • (360) 725-4000

October 15, 2004

Mr. Steven M. Moss, President
Washington State Coalition
for the Homeless
Post Office Box 955
Tacoma, Washington 98401

Dear Mr. Moss:

Steve

Thank you for your letter of September 23, 2004 expressing your concern that Washington State's Consolidated Plan give highest funding priority to people in our state who are homeless or at risk of becoming homeless. We understand the harsh conditions facing families and individuals who are barely getting by on extremely limited incomes. We also recognize that renter households make up the bulk of cost-burdened households in the state and agree that more resources are justified. We agree that people who are homeless and those with special needs are a high priority because of their vulnerability and we need to ensure they are being effectively served.

Accordingly, we are proposing to increase HOME resources for the Tenant Based Rental Assistance Program (TBRA) by \$1 million in the 2005 – 2009 Consolidated Plan. Also, because homelessness appears to be increasing throughout the state, we propose to give TBRA contractors the option to establish a preference for people who are homeless. This would provide the opportunity for local organizations that provide services to homeless people to work with local TBRA contractors to designate homelessness as a preference. We are also proposing that transitional and supportive housing projects for people who are homeless or who have special needs be prioritized to receive HOME funds for rental development. In doing so, our goal is to increase the number of units and services to households earning less than 30 percent of the area median income over the next five years. We are working to improve our data collection so that we can better track progress in this area.

While renter households are in great need of housing assistance, there are also homeowners who are severely cost burdened. Between 1990 and 2000, the number of homeowners earning 0 to 30 percent of the area median income, and who paid more than 50 percent of their incomes for housing, increased by over 51 percent (from 29,361 to 44,509). For homeowners earning 31 to 50 percent of the area median income, there was an even greater increase of 118 percent (from 15,449 to 33,744). We considered these factors in our proposal to use HOME funds for homeowners as well as renter households. Given the data on the cost burden for homeowners and comments we received at public hearings, we propose to balance rental housing development with support for programs that focus on preserving existing housing for homeowners, through



Mr. Steven M. Moss
October 13, 2004
Page 2

the Home Repair and Rehabilitation Program (HRRP). The proposed funding for HRRP is maintained at its current level.

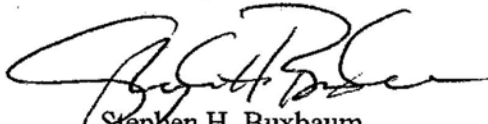
Washington State recently received a funding allocation from HUD for the new American Dream Downpayment Initiative (ADDI). ADDI funds may be used solely to provide down payment assistance and rehabilitation for first-time homebuyers. In thinking of how best to use these resources, we considered the needs of a special subgroup of potential homebuyers - those households who are disabled and have very low incomes. The declining affordability statewide for first-time homebuyers suggested the need for additional subsidy to increase the number of persons with disabilities who could achieve homeownership. Since ADDI funds are capped at \$10,000 per household we propose supplementing ADDI assistance for disabled households with HOME funds to ensure that a sufficient amount of down payment is available for these households.

As you know, the Affordable Housing Advisory Board (AHAB) published its draft 5-year plan concurrently with the Consolidated Plan. The AHAB plan includes several strategies to increase supportive housing and services for homeless people and people with special needs. This includes prioritizing state housing and services investments to significantly increase permanent housing for chronically homeless persons; and expanding the public/private funding model created with the Homeless Families Services Fund to address the housing plus services needs of other special needs and homeless populations.

Currently the state Community Development Block Grant (CDBG) offers public service funds for priorities locally identified by community action agencies and local governments serving CDBG non-entitlement areas. While approximately 10 percent of the 15 percent limit is allocated for CDBG Public Service Grants, the remaining balance continues to be available to fund public service activities that are a component of a larger CDBG eligible project. Under both circumstances, services for homeless persons, such as case management and supportive services, continue to be eligible for CDBG funding.

I hope that the strategies outlined in the Consolidated Plan and in AHAB's 5-Year plan address your concern for extremely low-income renter and homeless households. I appreciate the tireless commitment of the Washington State Coalition for the Homeless to ensuring that all Washingtonians have safe and affordable housing and stability in their lives. I look forward to working with you during the upcoming Legislative Session.

Sincerely,


Stephen H. Buxbaum
Assistant Director
Housing Division

*Steve: Thanks for
all the great work that
you and the coalition do!*

November 1, 2004

Dear Ms. Klenk, (I am also mailing this letter to Stephen Buxbaum in response to his letter of October 15)

Thank you for your leadership in making homeless people, and low and extremely low income residents a priority in the 5 Year HUD Consolidated Plan. We applaud the Plan's strategies that reflect the needs of our most vulnerable residents. Especially:

- Adding \$1 million to the TBRA Program
- Giving TBRA contractors the opportunity to prioritize people who are homeless
- Prioritizing transitional and supportive housing programs in rental development HOME funds
- Balancing rental housing development and HRRP funds
- Applying ADDI funds to very low income, disabled households
- Supplementing ADDI funds for very low income, disabled households with HOME funds

Of course we are always looking to prioritize homeless people, and those earning less than half the AMI, and hope to do even more in the future. However, we recognize how hard it is to meet everyone's needs with a limited amount of resources, and thank you for the hard work that you have done in creating this more fair and balanced plan. We look forward to working with CTED and the new governor on implementing these new housing priorities in the coming years.

Sincerely,

A handwritten signature in black ink, appearing to read "Steven M. Moss". The signature is fluid and cursive, with a long horizontal line extending from the end.

Steven M. Moss, WSCH President

Mia Navarro
Interim Director

Washington State Coalition for the Homeless
www.endhomelessnesswa.org
PO Box 955
Tacoma, WA 98401
(253) 572-4237



STATE OF WASHINGTON
DEPARTMENT OF COMMUNITY,
TRADE AND ECONOMIC DEVELOPMENT

CTED Response:

The State Coalition's support of several components of the Consolidated Plan is appreciated as well as the recognition of the difficulties in coping with limited resources. CTED remains committed to working with the Washington State Coalition for the Homeless to meet the critical needs of all people who are homeless in Washington State from the struggling mom with children, to the aging man living his 20th year on the streets, to the young teen trying to survive by panhandling and living in a squat. We are all better off when everyone has a place they can call home.



Habitat for Humanity of Washington State

P.O. BOX 7985 TACOMA, WA 98406
TEL: 253.759.2780 FAX: 253.759.1252

October 27, 2004

Stephen H. Buxbaum
Assistant Director for Housing
Department of Community, Trade and Economic Development

Dear Mr. Buxbaum:

Thank you for the opportunity to comment on the Draft 2005-2009 Consolidated Plan and for the tremendous work it represents.

The 38 local Habitat for Humanity affiliates and chapters are building 100 homes this year in communities across Washington State. We have already built 716 homes in the state in partnership with homeowners between 25-50% of area median income. We build with homeowners who represent some of the most difficult households to house in our state – large families with extremely low incomes, single parent families, persons with physical or other disabilities, the elderly. Many of our homeowners represent the underserved minority communities, including farmworkers.

We are concerned that the Draft 2005-2009 Consolidated Plan Part II Objective G – *Promote homeownership opportunities statewide for people at or below 80% of the median income* does not include the Housing Trust Fund as a CTED resource. Yet other sections of Part II do cite use of the Housing Trust Fund.

We believe this inconsistency should be corrected so that either all uses of the Housing Trust Fund are included or none of them.

We look forward to working with CTED over the coming years to increase homeownership in Washington State and meet the housing needs of all households below 50% of median income.

Again, our sincere thanks for CTED's leadership.

Respectfully,

Habitat for Humanity of Washington State



STATE OF WASHINGTON

DEPARTMENT OF COMMUNITY, TRADE AND ECONOMIC DEVELOPMENT

128 - 10th Avenue SW • PO Box 42525 • Olympia, Washington 98504-2525 • (360) 725-4000

November 3, 2004

Ms. Maureen Howard
Habitat for Humanity of Washington State
Post Office Box 7985
Tacoma, Washington 98406

Dear Ms. Howard:

Maureen
Thank you for your comments of October 27, 2004 on the proposed Washington State 2005 - 2009 Consolidated Plan. We appreciate the time and effort spent in reviewing the proposed plan and I hope the following directly responds to your concerns.

The housing objectives in the Strategic Plan of the Consolidated Plan primarily relate to the HOME, Emergency Shelter Grants (ESG) and Housing Opportunities for People with AIDS (HOPWA) programs. The Housing Trust Fund (HTF), in general, is not included in the Consolidated Plan because we wanted to focus the Plan on the use of resources that we expect to receive from HUD. However, as you noted, there are a few exceptions. We mentioned the HTF in areas we deemed important, such as farm worker housing, because it is a key state initiative and the HTF is the primary resource for that initiative. We also mentioned the HTF in certain strategies, such as the creation of a one-stop housing preservation program for owner-occupied housing, because the HTF has a significant role in housing preservation.

We recognize this may be confusing to readers and they may assume the HTF will no longer fund homeownerhsip projects. This is not true and so we added notes to the narrative in the Strategic Plan to help explain the specific focus of the Consolidated Plan on HUD funded programs. I hope my response explains our intent and reasoning for including the HTF in some sections of the Consolidated Plan. I appreciate the dedication and work of Habitat for Humanity in meeting the needs of our citizens in Washington State. I look forward to continuing to work with you and others in bringing an end to the affordable housing crisis in our state.

Sincerely,

A handwritten signature in black ink, appearing to read "Stephen H. Buxbaum".
Stephen H. Buxbaum
Assistant Director
Housing Division

October 29, 2004

I am writing to comment on the proposed Consolidated Plan. I appreciate the emphasis on a continuum of housing from shelters to ownership. As I commented at the hearing held in Brewster, without a renewed and reinvigorated commitment to home ownership we run the risk of creating a bottleneck that would prevent upward movement and increase the need for subsidized rentals as there would be nowhere for the those ready for ownership to move. I would also like to see a commitment to permanent affordability with these funds. It makes no sense in these days of shrinking funds and rising costs to have to subsidize a housing unit a second time. It can be demonstrated that subsidy retention in the home is more effective than recapture in this regard. Community Land Trusts like ours use the ground lease and resale formulas to retain this subsidy. There are other ways that this could be done as well. It just makes sense to move toward a policy that would deliver the most affordable units over time – the most “bang for the buck”. Policy should reflect the best stewardship of the state’s resources and subsidy retention achieves this. Let’s be smart with the dollars the public invests. Thank you again for your efforts to meet this state’s housing needs.

Carl Florea
Upper Valley MEND
SHARE Community Land Trust
894 Highway 2 Suite L
PO Box 772
Leavenworth, WA 98826
(509) 548-0408 FAX: (509) 548-7167

October 29, 2004

TO: Suzanne Klenk
CTED

FROM: Michele Morrissey
Lummi Island Community Land Trust

SUBJECT: Comments on CTED Plans

I would like to encourage a policy that public resources be used for **permanently** affordable housing, in homeownership and rental housing and public equity or subsidy is **retained** rather than recaptured or removed. CLT's ground lease approach is one of several ways to do that. It's a lost resource if homes resell at unrestricted market prices. I appreciate CTED's proposal that HOME ADDI funds (American Dream Downpayment Initiative) get sent to the WA State Housing Finance Commission (WSHFC) to be used in affordable homeownership mortgages. I believe this makes good use of these funds. I would also like to encourage CTED to encourage WSHFC to implement subsidy **retention** in its use of ADDI funds instead of subsidy recapture.

Thank you.

Michele Morrissey
Lummi Island Community Land Trust
PO Box 47, Lummi Island, WA 98262
(360) 758-9925, 758-9927 fax

November 1, 2004

TO: Suzanne Klenk
CTED

FROM: Sheldon Cooper, Executive Director
Homestead Community Land Trust

RE: Public comment on CTED Draft Consolidated Plan

To Whom It May Concern:

Thank you for posting the Draft Consolidated Plan for public comment. I appreciate the increased emphasis on homeownership within the plan. This is important to create a healthy mix of affordable housing options to meet a wide range of people's needs in every area across the state.

As more public resources flow to create affordable homeownership, it is very important to assure that the public benefit from these investments are long lived. I would encourage the creation of policy that requires permanent affordability on all CTED homeownership funded projects at the targeted income level. There are several ways that non-profit developers can assure permanent affordability of homes, even through numerous resales. Strong deed restrictions with enforcement rights assigned to non-profits, community land trusts, and limited equity coops can all be structured to appropriately protect the value of the public investment in homeownership while also allowing individual families to benefit from appropriate wealth building. What all these provisions have in common is that the affordable home does not sell as a market rate home in the future, but is instead sold at a restricted price based upon a carefully constructed formula that is tuned to local conditions and needs. It is expensive to create affordable homeownership for low-income families, and it will be more expensive in the future. It is very important that policy assures the long-term preservation of the affordability that is created through public investment.

I appreciate the plan's recommendation to direct HOME ADDI funds to the WSHFC to be used to enhance affordable homeownership. I hope CTED to encourage the WSHFC to invest the ADDI funds in homeownership projects that will create permanent affordability. In cases where ADDI funded projects are contractually required to control the resale price and permanently preserve affordability, the ADDI funds should be retained in the project as long as the project is serving the targeted population at the targeted affordability levels. CTED already contracts its own funds this way in these instances, and it makes enormous sense to advocate for this investment model with CTED's other funding partners (WSHFC, and local jurisdictions.)

Sincerely,

Sheldon Cooper
Executive Director
Homestead Community Land Trust
206-323-1227



STATE OF WASHINGTON
DEPARTMENT OF COMMUNITY,
TRADE AND ECONOMIC DEVELOPMENT

CTED Response:

Suggestions on how public investments could ensure that housing was permanently affordable are appreciated. CTED will research the pros and cons of resale or recapture provisions as they relate to CTED's American Dream Downpayment Initiative (ADDI) program that will start operations in 2005. At this point we are retaining the flexibility of contractors to use the resale or recapture provision in the downpayment assistance program. However, we will discuss the suggestions received regarding permanent housing affordability with the Washington State Housing Finance Commission, a proposed contractor for the ADDI program.

October 29, 2004

Hi, Suzanne.

Overall, the new 2005-09 Consolidated Plan is very easy to follow and is a good job.

I just wanted to request a couple of edit:

I received several calls from folks worried that the Plan appears to be making a major change in Housing Trust Fund policy by not showing it being used as a match to federal funds for homeownership. It would be clearer to add all the places where HTF is used, or delete it entirely. Annie Conant said the department wants to change to Consolidated Plan to just focus on federal funds, since you now have a separate, broader plan encompassing all funds).

On page 40 of Section II you reference organizations involving nonprofits in the last paragraph. The last sentence referring to our organization should be deleted (DELETE "The City of Seattle has a multiplicity of non-profit developers, organized in the Seattle Housing Development Consortium.") SUBSTITUTE: Seattle has a variety of nonprofit developers who work together to find efficiencies and improvements in project design, development and financing through the Housing Development Consortium.

Also reference should be made to the Tacoma-Pierce County Affordable Housing Consortium, and the Housing Consortium of Everett and Snohomish County. [With their permission, maybe you could start my substitute sentence with "Puget Sound has" and then list all three consortia.]

Carla Okigwe, Executive Director
Housing Development Consortium
811 First Avenue, Suite 408
Seattle, WA 98104
206/ 682-9541
carla@housingconsortium.org

"Affording Opportunity"



STATE OF WASHINGTON
DEPARTMENT OF COMMUNITY,
TRADE AND ECONOMIC DEVELOPMENT

CTED Response:

We have added clarifying language in the Consolidated Plan to explain the limited mention of Housing Trust Fund resources in the Strategic Plan. We hope this will lesson the confusion regarding the continued availability of the HTF to address affordable housing issues in Washington State. Specific language regarding the Housing Development Consortium was also used, as proposed by Ms. Okigwe.



Spokane Office
315 W. Mission Ave. Suite 100
Spokane, WA 99201
(509) 484-6733

Bremerton Office
232 Washington Ave. Suite 102
Bremerton, WA 98337
(360) 377-7738

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COMMUNITY DEVELOPMENT PROGRAMS

November 1, 2004

Suzanne Klenk
CTED
128-10th Avenue Southwest
Olympia, Washington 98504-2525

Dear Ms. Klenk;

Thank you for the opportunity to allow us to provide comments on the 2005-2009 Washington State Consolidated Plan. It is clear that CTED has worked diligently to secure comments from throughout the State and as a result, this draft is a comprehensive and thoughtful overview of housing needs.

As we reviewed the Consolidated Plan several items of concerns arose. Issues of concern include little or no discussion of the preservation of HUD Section 8, RD and expiring tax credit multi-family projects, the greatly increased focus on populations at or below 30% of area median income and homeownership requirements. Our comments, suggestions and concerns are identified more specifically below.

2005-2009 Consolidated Plan (draft)

- ❖ *Preservation is critical and must be acknowledged in the Consolidated Plan.* In the next five years, the loss of affordable housing threatens thousands of low income Washington families. Losses will occur though expiration of existing contracts and affordability periods and pre-payments. The Consolidated Plan should address the loss of existing units in balance with construction of new units.
- ❖ *HOME capital funds should not be decreased.* The Plan indicated an increase in HOME TBRA funds. We are concerned that this may decrease the amount of capital funds from HOME. Given the overwhelming requests for funding from the Housing Trust Fund and other capital resources, we should preserve every capital funding source at current levels.
- ❖ *The increased emphasis on those at or below 30% of AMI hampers affordable housing possibilities.* At first glance, application of limited housing resources to extremely low-income persons appears to make sense. However, given the complexities of the current affordable housing industry, this method is not effective. This focus is detrimental for the following reasons:
 - It would make Housing Trust Funds less compatible with other sources of housing funds, which currently promote mixed income and mixed-use housing.
 - It would, thus, reduce the ability to leverage Housing Trust Funds with other sources of funding.
 - It runs contrary to current HUD policy advocating mixed income housing
 - It would remove homeownership options in the affordable housing arena since very deep subsidies would be required for homeownership.
 - This unit mix discourages effective mixed income projects unless accompanied by rental subsidy.
 - It would return to "ghettoization", concentrations of very-low income communities
 - It would lead to increased NIMBYism
 - It would inhibit project and/or neighborhood diversity

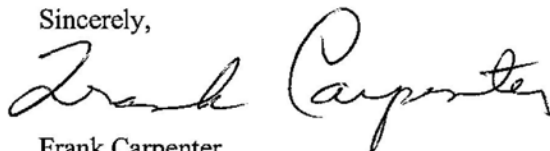
- It would require much deeper subsidies and result in fewer units developed statewide each year, because the cost of each unit would rise significantly.
- Makes a greater number of potential projects less financially feasible.
- The homeownership target mix is unrealistic, with far too many units, approximately 40% of the total goal, targeted to homeowners below 30% of median income.

2005 Action Plan (draft)

- ❖ *ADDI requirements are too narrow.* ADDI requirements under the Consolidated Plan mandate all applicants must be at or below 50% of area median income, disabled and first-time homebuyers. Most first time homeowners at or below 50% have difficulty maintaining a mortgage, absent a deep subsidy. Providing ADDI down payment assistance, exclusively to those at or below 50% will set many recipients up for failure in the form of foreclosure. Even though the current draft Plan stipulates that funds remaining at the end of the year go to the Housing Finance Commission for those at or below 80%, we believe ADDI should be expanded to address those at or below 80% of the area median income.
- ❖ *Preservation efforts should be responsive to local needs.* Although some mention of preservation exists in the 2005 Action Plan, it is focused around transitional, supportive and special needs housing exclusively. In the next few years, 15,000 affordable units could be lost unless significant preservation efforts are prioritized. The loss of units and the impact on individual communities varies greatly throughout the state. We suggest that the preservation funds not be restricted to those in transitional, supportive or special needs housing but rather be most responsive to local needs. The Plan should include all forms of multi-family preservation, including permanent housing. The Plan should address this issue in clear and specific language.
- ❖ *We support suggestions to increase CDBG Public Service funds to 15% of the total CDBG allocation, utilizing General Purpose allocation to achieve that goal.* Between 1989 and 1999, 37 of Washington's 39 counties experienced increasing number living in poverty (Consolidated Plan 2005-2009, page II-29). Given the increase in homelessness and a difficult economy, priority should be given to the most basic human needs. Although up to 15% CDBG funds may be used for public service activities, including housing related supportive housing activities, the State typically does not allocate the entire 15% to public service activities. We suggest that the full 15% be allocated to public service activities.
- ❖ *Whenever possible use general needs and strategies over specific plans and requirements.* Given that this plan will be a guiding influence for five years and given the great diversities in income, geography and needs as well as economic and social changes, we recommend that the Consolidated Plan in all respects remain as open and all encompassing as possible.

We value our ongoing relationship with CTED and appreciate the opportunity to present comments on the 2005-2009 Consolidated Plan. If you have further questions, please do not hesitate to contact me. Thank you.

Sincerely,



Frank Carpenter
Co-Director

cc: Annie Conant, CTED



STATE OF WASHINGTON
DEPARTMENT OF COMMUNITY,
TRADE AND ECONOMIC DEVELOPMENT

CTED Response:

We appreciate the suggestions and comments made on the strategies and action steps in the Consolidated Plan. CTED agrees that housing preservation of federal subsidized housing is very important and these projects are eligible for HOME rental preservation funding. We will consider adding more specific goals for preservation of Section 8 and other federally subsidized affordable housing in future amendments to the Consolidated Plan. The performance measures contained in the Consolidated Plan generally relate to the use of HOME, ADDI, CDBG, ESG and HOPWA funds. They are not applied to the HTF program except in a few instances, such as farmworker housing. Therefore concerns relating to targeting resources primarily for households at 30 percent of median income and below is misplaced since this priority is for the use of HOME resources, not the HTF program. Additionally, the homeownership goals targeting homeowners below 30 percent of median income relates to the Home Repair and Rehabilitation program and not the first time homebuyer program. The HUD tables in the Consolidated Plan are modified to make this clearer. This is an example of the difficulty in using the HUD tables and we have attempted to clarify our performance measures to help readers understand what program relates to what performance measure. The CDBG Program intends to continue to make public service funding available up to the 15 percent, through its Public Service Grants and as a component of a larger CDBG eligible project.

Lastly, we want to reiterate that the state's Consolidated Plan is a five-year plan, as recognized by Community Frameworks. CTED is committed to evaluating its programs each year in order to determine if mid-course changes or adjustments are necessary. This includes possible modification of the goals themselves as we move forward in the face of ever changing economic and political environments.



811 First Avenue | Suite 408
Seattle | Washington 98104
206.412.9155 | 800.621.2609
wslha-wlha.org | www.wlha.org

Megan Farley Hyla
Washington Coalition to Preserve Low Income Housing
811 First Avenue, Suite 408
Seattle, WA 98104

November 1, 2004

Suzanne Klenk
Washington State Department of Community, Trade and Economic Development
128 10th Avenue SW
Olympia, Washington 98504-2525
suzannek@cted.wa.gov

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COMMUNITY DEVELOPMENT PROGRAMS

Dear Suzanne Klenk:

Thank you for the opportunity to comment on the State's Draft Consolidated Plan.

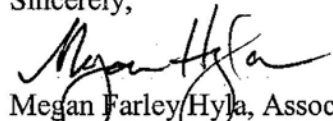
On page 40 of part II, the Washington Low Income Housing Alliance was incorrectly described as a "statewide lobbying organization." While our organization is in fact statewide, we are not a lobbying organization. The Washington Low Income Housing Alliance is a non-profit organization that works to ensure a safe, affordable housing for all through research, education, and advocacy. Please ensure that this correction is made before the final draft of the Consolidated Plan is printed.

Also, on page 12 of part III, under the "Section 8 Housing Choice Voucher Program" there is a sentence that states "The next largest public subsidy program, the state HTF, provides approximately \$40 million per year." Read in context, this could insinuate that the state HTF funds Section 8 vouchers which it does not, and should not do. Also, the state HTF is not the second largest public subsidy program. Please remove or revise this sentence.

Our final comment is on page 42, Part II under "Gaps in the Delivery System." In 2004, if the demand for the Housing Trust Fund (which is funded at \$81/biennium, \$40.5/year) was exceeded by \$63 million, the statement should read: "Demand exceeded available resources in 2004 by \$67 million or 155%."

Again, thank you for the opportunity to comment. Please contact me if you have any questions.

Sincerely,


Megan Farley Hyla, Associate Director

Bob Cain, Middle Home Tenants Association
Marj Dahlstrom, Spokane Low Income
Housing Consortium
Al D'Alessandro, King County
Lynn Davison, Common Ground
Irene Truzetti, Urban Indian Advocate
Kim Herman, Washington State Housing
Finance Commission
LaVon Holden, Vancouver Housing Authority
Linda Hugo, Northwest Regional
Facilities, Bremerton
Maureen Kostack, City of Seattle,
Office of Housing
Tom Lattimore, Impact Capital
Alicia McRae, Housing Authority
of Chelan/Wenatchee
Steve Moss, Blue Mountain Action Council
Carla Olgren, Housing Development Consortium
of Seattle/King County
Greg Proxmire, Columbia Legal Services
Darryl Robet, Inland Empire Residential Resources
Judy Rowd, Washington Community
Reinvestment Association
Ray Rieckers, Spokane Neighborhood
Action Programs
Ginger Segel, Low Income Housing Institute
Corley Senecal, Kitsap Community Resources
Brian Thane, Office of Rural and
Farmlands Housing
George Waters, Goodwill Baptist
Development Association



**STATE OF WASHINGTON
DEPARTMENT OF COMMUNITY,
TRADE AND ECONOMIC DEVELOPMENT**

CTED Response:

The corrections to the Consolidated Plan were incorporated.

Megan Farley Hyla
Washington Coalition to Preserve Low Income Housing
811 First Avenue, Suite 408
Seattle, WA 98104

November 1, 2004

Suzanne Klenk
Washington State Department of Community, Trade and Economic Development
128 10th Avenue SW
Olympia, Washington 98504-2525
suzannek@cted.wa.gov

Dear Suzanne Klenk:

Thank you for the opportunity to comment on the State's Draft Consolidated Plan.

It was brought to our attention that the preservation of affordable housing is largely absent from the proposed Consolidated Plan, and we hope you will rectify the language before the final draft is printed.

While the development and rehabilitation of affordable housing is vital, the preservation of low-income housing is just as important. Washington has already lost over 1,900 units of project-based Section 8 and 44% those remaining units are considered at "higher risk" of opting out.

Efforts to ensure safe, affordable housing for all Washington residents would be greatly undermined if we lose the federally subsidized housing stock we currently possess. Here are some examples in the report where preservation language is missing:

Part II, page 6, Objective G
Part II, page 7, Objective A
Part II, page 13, Table II-2
Part II, page 25, Table 2C
Part II, page 32, 5th paragraph
Part II, page 39, 2nd paragraph
Part II, page 40, last paragraph
Part II, page 41, 3rd paragraph
Part II, page 45, Public Housing Authorities

I hope that the importance of affordable housing preservation is included in the final draft of the State's Consolidated Plan and wish you the best with the report. Please contact me with any questions, and thank you, again, for the opportunity to comment.

Sincerely,

Megan Farley Hyla
WCPLIH Liaison



STATE OF WASHINGTON
DEPARTMENT OF COMMUNITY,
TRADE AND ECONOMIC DEVELOPMENT

CTED Response:

These concerns are similar to those expressed by Frank Carpenter of Community Frameworks.
See our response above.



November 1, 2004

Juli Wilkerson
Director
Washington State Department of
Community Trade and Economic Development
128-10th Avenue Southwest
Olympia, Washington 98504-2525

Seattle Office

1402 3rd Avenue
Suite 406
Seattle, WA 98101
Phone:
(206)389-2515
Fax:
(206)389-2520
TTY:
(206)389-2900

Olympia Office
101 N. Capitol Way
#302
Olympia, WA 98501
Phone:
(360)586-1022
Fax:
(360)586-1024
TTY:
(360)586-1029

Re: Draft Washington State 2005-2009 HUD Consolidated Plan

Dear Ms. Wilkerson :

INTRODUCTION

We are writing to comment on the draft Washington State HUD Consolidated Plan for 2005-2009. The Washington State Coalition Against Domestic Violence (WSCADV) is a private, nonprofit membership organization representing over 65 member shelter and advocacy programs and hundreds of other concerned individuals and organizations throughout the state of Washington. WSCADV serves as a statewide voice of battered women and their children and those who provide direct services to them and is committed to helping domestic violence emergency shelter and advocacy programs and their communities serve victims of domestic violence and their children.

The following comments reflect our understanding, which is supported by numerous studies across the country, that economic issues and the lack of safe and affordable housing in particular, is one of the major factors that keep domestic violence victims trapped in abusive relationships. We are concerned that the State Consolidated Plan fails to mention the particular needs faced by domestic violence and stalking victims for safe and affordable housing as well as supportive services and we are hopeful that CTED will consider these issues in future planning.

According to the National Institutes for Justice, approximately 25% of women and 7.6% of men will suffer intimate partner violence during their lifetime. In Washington State, there were 415 domestic violence related homicides between January 1997 and June of 2004. During 2003, Washington State law enforcement agencies responded to 51,589 domestic-violence related calls, up from 50,117 calls in 2002, and 50,992 in 2001.

The HUD regulations governing this planning process require that the Department of Community Trade and Economic Development set forth in its plan a comparative analysis of the severity of housing problems and needs of extremely low-income, low-income, and moderate-income renters and owners. These regulations also require that the State of Washington set spending priorities for its HOME, Emergency Shelter Grant, HOPWA, and CDBG funds based on this comparative analysis. Unfortunately, we feel that the Department has drafted a plan that falls short of meeting these regulatory requirements.

As currently drafted, the Consolidated Plan fails to adequately describe the housing problems of the homeless, in particular domestic violence victims who are homeless, and our lowest income renters in comparison with those of their higher income neighbors, particularly homeowners.

During State FY 2003, Washington State Domestic Violence Shelter programs funded by DSHS, Children's Administration, were unable to fill 34,835 requests for shelter, up from 34,713 in FY 2002, and 32,957 in FY 2001. The average shelter stay in domestic violence emergency shelters in FY 2003 went up to 17.23 days from 16.15 days from the previous years. In FY 2003, Washington State domestic violence shelter programs served 23,051 women and children, down from 24,574 in FY 2002. Though there appears to be some overlap, it is not clear that the report reflects all of the DSHS funded domestic violence shelter and safe home programs across Washington State, because some of the domestic violence shelter programs do not receive funding from CTED.

Recent years have shown cuts in federal funding, both due to cuts and due to changes in the federal statutory formula for distribution to services, along with reductions in private-giving and local city and county funding, domestic violence shelters have had to reduce staff, support groups, advocacy such as legal advocacy and children's advocacy, transportation, and other services for domestic violence victims and their children. Though the State legislature increased funding to the DSHS funded domestic violence shelter programs last year by 2 million dollars, the increase fails to cover the cuts programs have faced in the last 3-4 years.

In addition to the danger and trauma that victims accessing domestic violence shelter and services face, many are low-income, disabled, or non-English speaking or have other special needs. As a result, many domestic violence survivors have tremendous problems finding decent, safe and affordable housing regardless of where they live in the state. Except for those few who participate in one of our federally subsidized housing programs, most spend a disproportionate share of their income for housing. A significant number are homeless or at risk of becoming homeless because their abusers control the household income, or because of their low incomes and the fact that they are severely cost burdened, spending more than fifty percent of their income for their housing.

We are concerned that the data set forth in Table III-8 and Appendices A-12 and A-14 shows that the present system of allocating our scarce Housing Trust Fund and HOME dollars do not produce enough units for our lowest income residents, those most in need of this assistance. Since the inception of the Housing Trust Fund, only 24 % of the over 24,000 units developed were affordable to extremely low-income households. By contrast, an almost similar percentage of 23% went to households between 51-80% of median family income. Although Table III-8 shows there was some progress made between 1999 to 2004 in serving a greater percentage of extremely low-income households in the Housing Trust Fund program, this came at the expense of households between 31-50% of MFI, rather than households between 51-80% MFI. Appendix A-14 shows that the percentage of HOME units serving extremely low-income households is even less. Only 9% of the some 2,653 HOME units developed from 1992 to July 2004 were affordable to extremely low-income households.

In short, we urge CTED to rewrite its draft Consolidated Plan to give higher priority to meeting the needs of the homeless and extremely low-income renter households, particularly domestic violence victims and others with special needs. As part of this policy shift, the Department should increase funding for supportive services, including providing funding services for domestic violence victims and their children. We also believe the Department should target more resources to households below 30% of median income than it does to households between 31-50% of median income. Where there are barriers to developing projects for extremely low-income households, particularly in our smaller, rural communities, the plan should identify these barriers and set forth a process for overcoming them.

SPECIFIC COMMENTS

The Department Should Strengthen Its Strategies for Addressing the Needs of Our Lowest Income Residents, including Domestic Violence Survivors

Given that the housing needs of our lowest income residents are much more severe and distinct than their higher income neighbors, the Department should place greater emphasis to meeting these needs. Whenever possible, the Department should fund projects that serve some meaningful percentage of extremely low-income households before funding those that do not. This should be done both in our production programs and in the HOME Tenant Based rental assistance program.

In addition, the Department should add the following strategy to Goal 2, Objective B:

In consultation with the Affordable Housing Advisory Board and its stakeholders, the Department shall consider whether Washington State and its local jurisdictions are doing all they can to address the housing needs of our lowest income residents, particularly the homeless and renter households below 30% of Area Median Income, what barriers are preventing Washington State and its local jurisdictions from spending

more of its scarce federal, state, and local housing resources on developing affordable housing for its lowest income residents, and what can Washington State and its local jurisdictions do to effectively address these barriers?

We would also recommend that under Goal 2, Objective B, the Department pursue a strategy of increasing state funding of rental assistance and operating subsidies for extremely low-income households. The enactment of SHB 2060 was an important step in this direction but much more remains to be done. For example, the Department should recommend that we return to funding ESAP through general revenue, so that a greater share of the state's portion of document recording revenues could be used to provide operating and maintenance funds for projects serving extremely low-income households. The Department should also work with AHAB to identify additional revenue sources that might be used to supplement these funds. The lack of funding for rental assistance and operating subsidies is one of the major obstacles our nonprofit housing developers face in developing housing and is formidable barrier for domestic violence advocacy programs in accessing capital funds.

We are also concerned that the draft plan fails to include as an Objective the preservation of our scarce inventory of federally subsidized housing. This housing is absolutely critical to low-income domestic violence victims and their families, and are irreplaceable. Because of the increased scarcity of public housing and other housing, many of our member programs are noting that domestic violence victims are staying in shelter longer, making sorely needed bed-space even in shorter supply.

The plan should include a specific objective and strategies for preserving both our Public Housing inventory and our HUD and USDA financed multifamily housing. It should also note as does the Affordable Housing Advisory Board Housing Advisory Plan that our Section 8 Tenant Based Rental Assistance program is facing huge and problematic funding cuts and include as a separate Objective, adequate funding for this program.

Homelessness

The Needs Assessment in Part III provides very helpful information. However, it Department appears to ignore the large number of homeless women and children who are victims of domestic violence. It is unclear whether or not the data provided regarding the numbers of individuals who have been turned away from homeless programs includes the statistics kept by the Department of Social and Health Services regarding the individuals that domestic violence shelter programs were unable to serve. Though there is substantial overlap, some local domestic violence programs do not receive funding from CTED and thus the Department may be lacking information regarding a vital area of need.

The plan should provide information about strategies that have been successful in preventing and overcoming homelessness. For example, rental assistance programs, Section 8, subsidized units, supportive housing can all impact the level of homelessness in a community. In particular, research shows that domestic violence legal advocacy and

support can assist domestic violence victims in obtaining financial support from their abusive partners for housing, and domestic violence advocacy is crucial in assisting domestic violence victims access financial support from Crime Victims Compensation and the Department of Social and Health Services. Please consider including the discussion of effective strategies for overcoming and preventing homelessness.

In addition, the Plan should also offer more detail specific to counties. For example, there should be more information regarding which counties do the majority of homeless people live in? Which counties have the greatest proportion of homeless families compared to the total county population? Are resources for homeless families appropriately disbursed through the counties given the homeless population? Information about the “Housing Wage” should be broken down so that we can see what expenses are remaining, e.g. transportation, childcare, food and health care.

Indicators of homelessness should include a measurement of costs to society. We can measure the cost of children lost to the child welfare system due to homelessness, medical costs incurred, the number of people seeking emergency rental assistance. These indicators of homelessness in a community, and the attendant costs, should be discussed in the Plan.

The Plan should also analyze whether there are sufficient resources for the need. For example, the Plan states that 50% of individuals served in homeless shelters were in families with children. It would be more helpful to compare how many shelter beds restrict services to families with children versus how many are available to single adults, and whether more families with children are turned away from beds or whether more single adults are turned away. The Plan should also compare the population of homeless people to the number of available bed spaces by county.

The Department should add the specific objective of ending homelessness to the plan and include specific objectives for achieving it, including some from the AHAB Housing Advisory Plan. Others specifically related to domestic violence victims and their children should be developed in coordination among the various agencies that serve domestic violence victims among CTED’s various divisions, including the Office of Crime Victim’s Advocacy, and DSHS Children’s Administration and Economic Services Division. Others should be available from the existing Continuum of Care plans.

We support the Department’s plans to increase the share of HOME funds going to its Tenant Based Rental Assistance program and the additional targeting of these funds to the homeless.

We also think it is crucial that CTED seek additional funding for shelters until there is sufficient affordable housing available. The State should pursue a “housing first” policy of addressing the needs of our homeless, particularly domestic violence victims and the chronic homeless.

Lastly, the Department should set aside out of its Community Development Block Grant funds as much funding for public services, in particular social services, as permitted by Federal law. Any increase beyond funds already going to our Community Action agencies, should be used to provide supportive service and housing services funding for domestic violence and homeless providers. Although Washington State has earmarked one-million dollars each biennium to fund the development of domestic violence shelter and transitional housing in the Housing Trust Fund, this amount fails to even minimally approach the level of need. Washington State Domestic Violence advocacy programs have been slow to access the funding because of the lack of parallel funding for supportive services. The passage of SHB 2060 has been an improvement as it provides critically needed operational funding. However, there remains a critical shortage of supportive services funding.

CONCLUSION

As noted above, there are a number of issues facing that should be addressed further before a final Consolidated plan is submitted to the United States Department of Housing and Urban Development. In particular, CTED should more carefully identify the housing problems faced by domestic violence victims, extremely low-income households and give much higher priority to serving these families.

Please contact me at (206) 389-2515 x 121, or at grace@wscadv.org if you have any questions or concerns regarding these comments. We hope that you will consider our recommendations for changes to Washington State's Consolidated Plan. Thank you for your assistance in this matter.

Sincerely,
WASHINGTON STATE COALITION
AGAINST DOMESTIC VIOLENCE

/ s/

GRACE HUANG
Public Policy Coordinator



STATE OF WASHINGTON
DEPARTMENT OF COMMUNITY,
TRADE AND ECONOMIC DEVELOPMENT

CTED Response:

We thank the Washington State Coalition Against Domestic Violence for the additional information on the particular needs faced by domestic violence and stalking victims for safe and affordable housing. The Coalition's letter is included in its entirety in the Consolidated Plan so that this information is available for all readers of the Consolidated Plan. Many of the comments and criticisms raised by the Coalition are similar to those raised by Columbia Legal Services and so CTED's response to Columbia Legal Services is also referenced here.

Lastly, one of the priority areas for use of HOME rental preservation and development are transitional and supportive housing projects serving people who are homeless. This includes survivors of domestic violence. Also, the CDBG program can fund facilities for survivors of domestic violence through an application submitted in partnership with an eligible local government.



711 Capitol Way S #304
Olympia, WA 98501
(360) 943-6260
(800) 260-6260
(360) 754-4578 (fax)

John Midgley, Director

November 1, 2004

VIA ELECTRONIC AND FIRST CLASS MAIL

Juli Wilkerson
Director
Washington State Department of
Community Trade and Economic Development
128-10th Avenue Southwest
Olympia, Washington 98504-2525

Via Electronic Mail: suzannek@cted.wa.gov

Re: Comments on Draft Washington State 2005-2009 HUD Consolidated Plan

Dear Ms. Wilkerson :

INTRODUCTION

We are writing to comment on the draft Washington State HUD Consolidated Plan for 2005-2009. These comments are similar to those we have been making for the last several months. Our primary concern remains CTED's unwillingness to adequately analyze and then prioritize the needs of those Washingtonians with the most severe housing problems: extremely low income households, particularly renters, homeless households, and extremely low and very low income households with special needs. If CTED is unwilling to take these steps at this time, it should at least endeavor to spend the next twelve months examining the needs of our lowest income residents, identifying existing barriers to meeting these needs, and devising plans to overcome them.

SPECIFIC COMMENTS

On August 3 and August 13, 2004, we sent correspondence to the Department in an attempt to get the agency to prioritize the housing needs of our clients which are comparatively more severe than their higher income neighbors. We are not going to repeat each of the points made in these previous letters here, but ask instead that they be considered as part of these comments and included with the final draft of the plan when it is forwarded to HUD. This letter will focus on those matters most important to our clients and items that were unaddressed in our previous comments.

A. The Needs Assessment Set Forth in the Draft Plan Fails to Provide the Type of Comparative Analysis Required by HUD Regulations.

As currently drafted, the Consolidated Plan fails to adequately describe the housing problems of the homeless and our lowest income renters in comparison with those of their higher income neighbors, particularly homeowners. The only explanation for this failure is that the Department would prefer to avoid setting meaningful, state-wide housing priorities. Instead, the agency proposes to conduct business as usual, preferring to let project sponsors determine what type of projects to pursue in their local communities. The inevitable result of this approach is that relatively few of these projects will serve our lowest income residents. Why? Because of the difficulty of developing projects affordable to our lowest income residents and the fact that it is easier to generate local support for programs aimed at existing homeowners or first time home buyers.

As we explained in our August 3, 2004 correspondence, the HUD regulations governing this planning process require that the Department of Community Trade and Economic Development set forth in its plan a **comparative analysis** of the severity of housing problems and needs of extremely low-income, low-income, and moderate-income renters and owners. These regulations also require that the State of Washington then set spending priorities for its HOME, Emergency Shelter Grant, HOPWA, and CDBG funds based on this comparative analysis. Despite our previous correspondence, the Department has drafted a plan which falls short of meeting these regulatory requirements. As the Needs Assessment is intended to drive spending priorities and resource allocation decisions, this omission is of great concern to our clients.

1. CTED Should Better Organize Needs Assessment Section

We would like the Needs Assessment reorganized in the following manner. First, given the fact that such a large percentage of our lowest income residents are renters, we recommend that the Department discuss rental housing before homeownership. More importantly, we believe the discussion of both rental housing and homeownership should be organized by the needs of the various income categories: extremely low-income households; other very low-income households earning 31-50% MFI; and all other low-income households earning 51-80% MFI. These divisions will permit and encourage more comparative analysis of the needs of each income category. We would also like to see this organization reflected in the Table of Contents and highlighted in the Executive Summary.

2. CTED Should Include More Analysis and Discussion of 2000 Census Data

In addition to the organization of the Needs Assessment, we are concerned by the fact that the Part III Housing Assessment gives very little emphasis to the special CHAS tabulation of the Census 2000 data that was made available last Fall. This is the first opportunity we have had to utilize this special tabulation of the Census 2000 data in setting spending priorities in our HOME, ESG, HOPWA, and CDBG programs. Unfortunately, while the CHAS data is set forth

in the Appendices as Table A-18, there was little discussion or analysis of the data in the narrative part of the report.

In our August 13, 2004 letter, we tried to call attention to this Census 2000 data and suggested several forms of analysis that we hoped would be included in the Consolidated Plan. Regrettably, very little of our analysis made it into the plan itself. We believe that the narrative portion of the Housing Assessment should discuss the cost burden, severe cost burden and other housing problems facing our residents, by income category, family type, and tenure so that this comparison of housing needs is available as contemplated by HUD as a basis for setting spending priorities.

We note that there was some discussion of severe cost burden in the draft plan. However, this discussion does not go far enough. For example, the narrative should explain that extremely low-income renter households are much more likely to be severely cost burdened than other households. Table A-18 shows that 60.4% of all extremely low-income households pay more than fifty percent of their income for housing. By contrast, only 21.5% of renter households between 31-50% MFI are severely cost burdened. The number of renter households between 50-80% MFI who are severely cost burdened is only 3.7%.

CTED should then take this analysis even further. As Table III-15 shows some 58% of all households earning 0 to 80% of MFI, who are severely cost burdened are extremely low income households. More than two-thirds or some 69% of these extremely low-income households who are severely cost burdened are renters rather than owners. As noted in the draft plan, this ratio decreases as you go up the income spectrum. One must question why this occurs. It appears that higher income families are choosing to pay a disproportionate share of their income to achieve homeownership, and not out of absolute necessity. By contrast, extremely low-income households have no choice in the matter.

3. CTED Should Include More Discussion and Analysis of Tables A-19 and A-20.

In discussing rent overburden, it is also helpful to go beyond the CHAS data. In our August 13, 2004 correspondence, we encouraged the Department to compare county median income information with the published Section 8 Fair Market Rents to illustrate the “rent affordability gap” faced by renters of various income levels. We were pleased to see that the Department had included Tables A-19 and A-20 in the Appendices. We were disappointed, however, by the narrative discussion of these tables.

The major point of Tables A-19 and A-20 is that extremely low-income renters face serious housing affordability problems as measured by available Section 8 Fair Market Rents in every single county in Washington. By contrast, households with higher incomes face much smaller rent affordability gaps. In fact, Tables A-19 and A-20 show that there is no need to use scarce Federal and State capital dollars, rental assistance, and other forms of operating assistance to assist renter households earning more than fifty percent of MFI in any county in Washington.

4. Data Shows That Resources Should Be Targeted to Most Economically Disadvantaged.

Why are Tables A-19 and A-20 important? These tables demonstrate that rental housing for the homeless, for extremely low-income households, and for households with special needs should be given the highest priority. Those rental households between 31-50% of MFI should be given a medium priority. All other renter households should be given a low priority.

The data demonstrates the extremely different housing realities facing our lowest income renters as compared to those renter households earning between 50-80% MFI. In fact these numbers bear out the recommendation that no federal HOME, CDBG, HOPWA or ESG funds should go to develop housing for renters above 50% MFI. This category of renter is adequately served through the private sector or through our tax expenditure housing programs like the Low Income Housing Tax Credit. Furthermore, it makes little public policy sense to use our Housing Trust Fund, HOME and CDBG funds to promote first time homeownership when so many of our lowest income residents are homeless and struggle to keep a roof over their head.

Available data bears these recommendations out. The data set forth in Table III-8 and Tables A-12 and A-14 demonstrates that the present system of allocating our scarce Housing Trust Fund and HOME dollars do not produce enough units for our lowest income residents, those most in need of this assistance. Since the inception of the Housing Trust Fund, only 24% of the some 24,272 HTF units developed were affordable to extremely low-income households. By contrast, an almost similar percentage of 23% went to households between 51-80% of median family income. Although Table III-8 shows there was some progress made from 1999 to 2004 in serving a greater percentage of extremely low-income households in the Housing Trust Fund program, this came at the expense of households between 31-50% of MFI, rather than households between 51-80% MFI.

Table A-14 shows that the percentage of HOME units serving extremely low-income households is even less. Only 9% of the some 2,653 HOME units developed from 1992 to July 2004 were affordable to extremely low-income households. Twice this percentage was developed for households between 51-to 80% MFI. CTED should take immediate steps to address these historical inequalities and instead begin steering resources to those with the most pressing and severe housing needs.

Therefore, we urge CTED to rewrite its draft Consolidated Plan to give a much higher priority to meeting the needs of the homeless and extremely low-income renter households, particularly those with special needs. As part of this policy shift, the Department should narrow the universe of program beneficiaries by giving a "low priority" to serving renters and owners above 50% of median income. We also believe the Department should target more resources to households below 30% of median income than it does to households between 31-50% of median income. Where there exist barriers to developing projects for extremely low-income households, particularly in our smaller, rural communities, the plan should identify these barriers and set forth a process for overcoming them.

B. The Draft Strategic Plan Fails to Establish Any Meaningful Housing Priorities.

We continue to be concerned with the Department's refusal to set meaningful, state-wide housing priorities. The Department's discussion of Table 2A and its unwillingness to set any "low priorities" ignores the regulatory requirements discussed below.

1. HUD Regulations Require that Spending Priorities Flow From An Analysis of the Comparative Housing Needs of Extremely-Low, Very-Low, and Low-Income Renters and Owners.

When Congress enacted the Cranston-Gonzalez National Affordable Housing Act, it required that jurisdictions seeking various Federal housing resources submit a comprehensive housing affordability strategy. 42 U.S.C. §12705. As part of this planning process, Congress mandated that the recipient of Federal funds:

[d]escribe how the jurisdiction's plan will address the housing needs identified pursuant to subparagraphs (1) and (2), describe the reasons for allocation priorities, and identify any obstacles to addressing underserved needs.

42 U.S.C. §12705(b)(8). The HUD regulations track this statutory language and explicitly state that the recipient must set priorities and must describe the basis for assigning the priority given to each category of priority needs, and identify any obstacles to meeting underserved needs. 24 C.F.R. §91.315(a).

In explaining this priority setting process, HUD emphasized that priorities should be based on a comparative analysis of housing needs amongst various households, by income category, family type, and tenure:

[t]he Department agrees with the low-income and disability community advocates that the strategy must explain how the priorities have been established and how the strategic plan addresses the needs identified in the needs assessment. The rule has been strengthened to require a comparative analysis of the severity of housing problems and needs of extremely low-income, low-income, and moderate-income renters and owners. The rationale for establishing the priorities and determining the relative priorities should flow logically from this analysis.

60 Fed Reg 1878, 1891 (January 5, 1995).

Congress and HUD both required a much more thorough, detailed and factually supported housing priorities analysis than the Department's current plan provides. As detailed above, existing data clearly and unequivocally demonstrates that the housing needs of extremely limited renters dramatically outweigh those facing higher income Washingtonians. As it fails to

appropriately prioritize the comparative needs, CTED's current plan does not meet the federal requirements.

2. The Department Has No Authority to Disregard HUD Regulations So That It Can Maintain Program Flexibility At the Behest of Project Sponsors.

In an apparent response to our previous comments, the Department argues that Table 2A is problematic and better suited for local jurisdictions like a city or county, rather than a state. It suggests that setting meaningful statewide, housing priorities would impose a "one size fits all" priority that would restrict the state's ability to support activities that may have a big impact in rural communities or communities with unique circumstances. It also claims that setting statewide priorities remove flexibility at the state level to respond to the particular housing and market needs of local communities. The Department then notes that its stakeholders support maintaining flexibility and are concerned about project feasibility, particularly in our more rural communities.

We acknowledge that there are some stakeholders who have argued against setting statewide spending priorities because of the difficulty of developing affordable housing for extremely low-income residents in our smaller, more rural communities. This barrier or obstacle, however, is not justification for abandoning our lowest income residents. HUD regulations, instead, require that the Department identify the barrier and seeks a means of overcoming it.

The Department's refusal to set any low priorities in order to maintain program flexibility is inconsistent with the letter and intent of the HUD Consolidated planning regulations. The Department has failed to present any reliable housing data showing that there is a moderate need for housing programs serving households earning more than 50% of area median income, even in our rural communities.

In fact, available evidence demonstrates exactly the opposite is true. For example, as detailed above, only 3.9% of renter households with incomes over 50% MFI are severely rent burdened. In most communities, private market rate housing adequately serve this category of renter. Therefore, the data proves scarce state housing dollars should be reserved for developing and operating housing which serves those households with the most severe needs and for whom no other housing options exist.

3. CTED Should Change Its Prioritization of Housing Needs to Reflect Actual Data.

Based on the relative housing needs of our various income households, we would give the highest priority to renter households between 0-30% of MFI and renter households between 0-50% of MFI who are homeless or have special needs; a moderate priority to all other renter households between 31-50% of MFI; and a low priority to all renter households between 51-80% of MFI.

On the owner side, we would give a high priority to existing owners between 0-30% of MFI in need of weatherization, home repair, and rehabilitation funds; a moderate priority to such households between 31-50% of MFI; and a low priority to those between 51-80% of median income.

Furthermore, CTED should not use any HOME or CDBG funds, except for ADDI funds, for first time homebuyers programs. To the extent that first time homebuyer programs receive any HOME or CDBG funds, we would give a medium priority to both owner households between 0-30% and 31-50% of median income. We would give a low priority to first time homebuyer programs for households 51-80% of Median income. These households should instead be served through existing Federal tax expenditure programs or with Federal or State funds specifically designated for this purpose which cannot be used to meet the needs of the homeless or extremely-low income renters.

We agree with the Department that a priority should be given to disabled and minority households seeking homeownership opportunities. We would also target any first time home buyer programs to renter households currently residing in federally subsidized housing so that the scarce Federal housing subsidies that these families currently receive could be made available to extremely low-income households now on lengthy waiting lists for such housing.

Lastly, we are concerned that the goals set forth in Table 2A and the Strategic and Annual Action plans, do not reflect the relative priorities set forth in Table 2A. For example, why is the Department proposing to develop more units for elderly renter households between 31-50% of Median Income than households earning 0-30% of Median Income? They both were given a high priority.

C. The Department Should Strengthen Its Strategies for Addressing the Needs of Our Lowest Income Residents, a Majority of Whom Are Severely Cost Burdened.

Given the fact that the housing needs of our lowest income residents are much more severe and categorically different than their higher income neighbors, the Department should rewrite its goals, objectives, and strategies to give a greater emphasis to meeting these needs.

1. CTED Should Fund Projects That Provide A Significant Amount Of Housing Affordable To Extremely Limited Income Or Special Needs Households Before Providing Funding To Projects Serving Higher Income Populations.

Whenever possible, the Department should fund projects that serve some meaningful percentage of extremely low-income households before funding those that do not. This should be done both in our production programs and in the HOME Tenant Based Rental Assistance program.

Assuming that CTED is not prepared to move in this direction at the present time, the Department should add the following strategy to Goal 2, Objective B: significantly increase the rental assistance and operating subsidies for developments housing extremely limited income and special needs households.

The Department should pursue a strategy of increasing state funding of rental assistance and operating subsidies for extremely low-income households as an element of Goal 2, Objective B. The enactment of SHB 2060 was an important step in this direction but much more remains to be done. For example, the Department should recommend that we return to funding ESAP through general revenue, so that a greater share of the state's portion of document recording revenues could be used to provide operating and maintenance funds for projects serving extremely low-income households. The Department should also work with AHAB to identify additional revenue sources that might be used to supplement these funds. The lack of funding for rental assistance and operating subsidies is one of the major obstacles our nonprofit housing developers face in developing housing for our lowest income residents.

2. The Preservation Of Existing Federally Subsidized Units Must Be An Important And Explicit Priority.

We are also concerned that the draft plan fails to include as an objective the preservation of our scarce inventory of federally subsidized housing. This housing is absolutely critical to our clients and irreplaceable. The plan should include a specific objective and strategies for preserving both our Public Housing inventory and our HUD and USDA financed multifamily housing. It should also note as does the AHAB Housing Advisory Plan that our Section 8 Tenant Based Rental Assistance program is facing huge and problematic funding cuts and include as a separate Objective, adequate funding for this program.

3. CTED Should Spend The Next 12 Months Focusing On How To Meet The Uniquely Severe Housing Needs Of Washington's Most Economically Vulnerable People.

To the extent that CTED is reluctant to alter course at this time or to adopt the recommendations included herein, the Department should spend the next twelve months working with the Affordable Housing Advisory Board and its stakeholders to examine the following questions:

- Whether Washington State and its local jurisdictions are doing all they can to address the housing needs of our lowest income residents, particularly the homeless and renter households below 30% of Area Median Income?
- What barriers are preventing Washington State and its local jurisdictions from spending more of its scarce federal, state, and local housing resources on developing affordable housing for its lowest income residents? What barriers do local sponsors face in serving this population?

- What can Washington State and its local jurisdictions do to effectively address these barriers?

As part of this process, we are asking specifically that CTED determine what proportion of our current inventory of affordable housing is actually serving our lowest income residents and what might be done to increase this percentage in the future. We should look at the entire of spectrum of affordable housing, including that of the Washington State Housing Finance Commission and our local public housing authorities.

The failure of our housing programs to help those in greatest need is not a new problem. When the Washington Legislature first created the Housing Assistance Program in 1986, it specifically found that “housing assistance programs in the past have often failed to help those in greatest need.” RCW 43.185.010. While there certainly has been some improvement in this regard, we can and must do better.

We ask CTED and the Affordable Housing Advisory Board to provide the leadership needed to ensure that our affordable housing programs do in fact help those with the greatest needs, as contemplated by the Washington Housing Policy Act and applicable federal laws and regulations. By working together, CTED and AHAB can make meaningful strides in this direction in the next 12 months.

D. SPECIAL NEEDS POPULATIONS

1. Homeless

The Needs Assessment in Part III provides very helpful information. However, we think it could be better, and we recommend augmenting the information by including the following statistics and analysis.

a. The plan should include more specific information regarding homelessness.

The plan should provide information about strategies that have been successful in preventing and overcoming homelessness. For example, rental assistance programs, Section 8, subsidized units, supportive housing can all impact the level of homelessness in a community. The plan should identify and discuss those strategies that have proven to be most successful for overcoming and preventing homelessness.

The plan should also offer more detail, specific to counties. For example, in which counties do the majority of homeless people live? Which counties have the greatest proportion of homeless families compared to the total county population? Are resources for homeless families appropriately disbursed through the counties?

The "Housing Wage" should be broken down so that we can see what expenses are remaining, e.g. transportation, child care, food and health care.

Indicators of homelessness should include a measurement of costs to society. We can measure the cost of children lost to the welfare system due to homelessness, the number of people who leave institutions without a permanent address and may be likely to re-offend, the number of people seeking emergency rental assistance. These indicators of homelessness in a community, and the attendant costs, should be discussed in the Plan.

The plan should also analyze whether there are sufficient resources for the need. For example, the plan states that 50% of individuals served in homeless shelters were in families with children. It would be more helpful to compare how many shelter beds restrict services to families with children versus how many are available to single adults, and whether more families with children are turned away from beds or whether more single adults are turned away. The Plan should also compare the population of homeless people to the number of available bed spaces by county.

The plan should give us a scope of the problem of homelessness, and list the number of homeless as a percentage of the state population, again broken out by county as well. Data from Point in Time surveys contain the raw numbers necessary for such a calculation. Lastly, the Plan should give us a better picture of the causes of homelessness. It would be helpful to include information that shows us how many households become homeless because they were cost overburdened and missed a pay check.

We were perplexed and somewhat dismayed to see that the draft plan did not include a specific, stand alone Objective addressed to ending homelessness in Washington State, similar to what was set forth in the AHAB Housing Advisory Plan. An objective of ending homelessness is certainly as important as Objectives G: promoting homeownership opportunities statewide for people at or below 80 percent of the median income. The Department should add this objective to the plan and some specific objectives for achieving it. Some of these can be taken from the AHAB Housing Advisory Plan. Others should be available from the existing Continuum of Care plans.

We do support the Department's plans to increase the share of HOME funds going to its Tenant Based Rental Assistance program and the additional targeting of these funds to the homeless. As we mentioned in previous correspondence, this is an effective program that can build upon resources already available in our communities.

We also think it is important that CTED seek additional funding for shelters until there is sufficient affordable housing available so that we can pursue a housing first policy of addressing the needs of our homeless, particularly the chronic homeless.

Lastly, the Department should set aside out of its CDBG funds as much funding for public services as permitted by Federal law. Any increase beyond funds already going to our

Community Action agencies, should be used to provide supportive service and housing services funding for our homeless providers.

2. Other Special Needs Populations

CTED must significantly enhance the “Special Needs” section of Part III of the Plan and provide much greater detail and discussion regarding the particular needs of different populations. As presently drafted, this section, including Table III-17, provides only the most limited information regarding special needs. In fact, CTED has not explained the information in Table III-17 in any meaningful way. It merely provides numbers without any further analysis or explanation. Moreover, CTED makes no effort to explain what lessons should be drawn from this information. In order to comply with its obligations to affirmatively further fair housing, CTED must add much more information and analysis to this entire section.

Information and analysis should be added that responds to each category of special population. At present, CTED has not differentiated between the particular needs facing mentally ill Washingtonians, seniors or people fighting chemical dependency. Each category of person has unique and significant housing needs which CTED should describe. CTED must make recommendations geared to solving the particular needs of each population. At present, the plan fails to meet any of these requirements.

The plan as presently drafted lumps all special needs populations together when it discusses the vital need for better coordination between housing and other support services. We agree with this general statement, housing and services must be coordinated to allow many people with special needs to find and maintain affordable housing. But as discussed above, CTED should provide information and analysis regarding each special population.

As the Plan discusses, for many low-income people with special needs, affordable housing is unattainable without ready access to vital supportive services. Case-management, mental and physical health services, employment assistance and child care are all essential to families and individuals living with disabilities, substance abuse or other special circumstances.

Many of these families are unable to afford market rents. Therefore, rental assistance and subsidized housing is an absolute necessity for this population. Accordingly, we applaud CTED’s decision to increase the allocation of HOME dollars dedicated to Tenant Based Rental Assistance. However, as discussed previously, we strongly encourage CTED to limit eligibility for these funds to extremely low income renters or very low income renters with special needs.

However, while CTED has recommended increasing funding for rental assistance, it does not appear to have made a similar commitment to increasing resources available for associated supportive services. As we discussed in our August 13, 2004 comments, CTED should increase the amount of CDBG funds dedicated to providing case management and other supportive services tied to transitional and supportive housing. We continue to urge CTED to dedicate 15% of its CDBG funds to supportive services as allowed by applicable HUD regulations. See 24 CFR

§ 570.201(e)(1). Unfortunately, the Plan indicates that CTED intends to dedicate less than 10% of CDBG funds to public service grants. This amount must be increased so that 15% of CDBG funds are spent on supportive services connected to housing.

In fact, the Plan seems to devalue these supportive services in comparison to other identified needs. For example, in the HUD Table 2B: Community Development Needs, CTED has assigned a medium priority to the following facilities and services: homeless facilities, child care centers, handicapped centers, health facilities, senior services, handicapped services, youth services, child care services, transportation services, substance abuse services, employment training, health services, other public service needs. By contrast, CTED has assigned a high priority to water/sewer improvements, street improvements, sidewalks, publicly or privately owned Commercial/industrial, RehabC/I infrastructure Development and planning.

CTED provides no justification for the differences assigned to these different categories of need, other than by stating that local jurisdictions identified the needs in this manner. CTED has provided no quantitative analysis of the various needs or compared them in any meaningful manner. Importantly, CTED has been unwilling to place any perceived need in the “low priority” category. Therefore, designating a particular need as medium priority indicates that it has little actual importance in relation to any other type of need.

Therefore, according to CTED, handicapped services are just as important as lead hazard screening and parking facilities. Non-residential historic preservation is weighted equally with substance abuse and youth services. However, such equal prioritization of needs is not supported by any evidence and is in conflict with actual data showing the desperate housing needs facing extremely low income Washingtonians and Washingtonians with special needs. Services associated with housing are vitally important to the success of special needs and extremely low income families generally, CTED’s plan should be rewritten to reflect this reality.

As detailed above, we are concerned with the lack of information or discussion of the particular circumstances facing each unique special needs population. CTED must take steps to rectify this problem before finalizing its plan. Below we have provided brief comments regarding each of the special needs populations.

a. Elderly

The housing challenges facing the elderly are in many ways different than those facing other low income Washingtonians. Many seniors own their own homes and so home rehab and weatherization programs are of particular use to this population. In addition, like other special needs populations, the elderly require housing associated with services, particularly health and transportation related services. CTED should endeavor to determine the level of need that elderly seniors have in accessing and utilizing such services. And create a strategy that addresses the need.

b. Disabled

The plan discusses the need to provide disabled low income Washingtonians with supportive services. However, the only actual strategy the plan advances in any detail to address the housing crisis facing this population is to increase home ownership among low income disabled families and individuals. While a laudable goal, it should not be the sole or the most prominent strategy CTED adopts to address housing for disabled people in Washington.

In fact, for the vast majority of extremely low income and very low income disabled individuals, financial and disability related limitations require that they find affordable, supported, rental housing. This reality should be the primary focus of CTED's strategies for meeting the actual housing needs of Washington's low income disabled population. A singular or primary focus on homeownership will not actually address the real housing problems facing this population.

c. Persons in need of substance abuse treatment

It appears that CTED has not provided any information or discussion in its plan regarding how it proposes to address the needs of this population in the next 5 years. The need for substance treatment beds only increases year after year as the actual number of beds remains relatively constant. CTED must put together an explicit strategy to deal with this reality. At present, CTED's plan is unstated and therefore inadequate.

d. Families escaping domestic violence

While we acknowledge that this population is not one identified by HUD as a required special needs population, we believe that CTED should focus some discussion upon this population because of the unique and substantial obstacles they face in securing and remaining in safe, affordable housing. Domestic violence brings with it long-term emotional, physical and financial impacts which require special services and housing options.

The number of d.v. shelter turn-aways and the length of average stays in d.v. shelters have both gone up in the last year. Women with children make up the vast majority of families seeking such emergency shelter. Unfortunately, these same shelters have faced significant cuts to their federal, state and local funding. As a result, shelters have had to cut staff and associated services. Recent state funding increases do not begin to match the losses that the d.v. advocacy community has suffered in the last few years. Accordingly, CTED should make the creation of housing options and services provided to families escaping domestic violence, a primary objective. CTED should work to ensure that a significant portion of HOME and CDBG funds go to providing services and housing to this vulnerable population.

The Homeless Management Information System (HMIS) is another issue of concern to this population. Homeless and d.v. advocates understand the need for accurate information regarding the extent of the homeless problem in Washington. However, the State must ensure

that all of its residents are treated with dignity and that confidential information is protected under all circumstances when creating and operating such a system. HMIS must be designed to ensure absolute confidentiality for all. The inappropriate release of such information can have deadly results. We are concerned that the information collected through such a system not exceed that absolutely necessary. Furthermore, informed consent is a vital feature of any information gathering system. Each person, upon whom the state will gather information, must be fully informed of the nature of the information to be gathered, where it will be stored and under what circumstances it will be released. Each person must then have the opportunity to refuse to participate or to have only the most basic information gathered and stored.

e. People with Limited English Proficiency

CTED should also include information and analysis of the particular housing difficulties facing people with limited English proficiency. This population's difficulty with communication causes unique obstacles to finding and maintaining affordable housing. In addressing the particular needs of this population, CTED should take steps to ensure that translation services are available to all Washingtonians who need them. It should work to educate housing providers on the need for translated documents and translation services. It should provide resources to educate LEP individuals about their housing rights and responsibilities. Resources geared toward supporting housing options and services to this population will assist CTED in affirmatively furthering fair housing, by directly addressing one of the most persistent housing difficulties facing immigrant and other non-native English speaking populations.

3. Farm Worker Housing.

We support the draft Consolidated Plan to the extent that it proposes to develop more permanent housing for farmworker housing. Migrant farmworkers have tremendous housing problems. We are concerned, however, with some of the strategies suggested for addressing them.

a. On-farm housing is not the solution to the migrant farmworker housing problem.

The Draft Plan states on page 43 that "there remains a critical need to assist grower[s] in developing sufficient on-farm housing to meet the needs of all migrant workers." Implicit in this sentence is the belief that on-farm housing is the sole or preferable solution to the migrant farmworker housing problem. This belief is misplaced.

The correct strategy for solving the migrant farmworker housing problem is public support of both on-farm housing and on off-farm housing. Because off-farm housing will not survive without annual operating subsidies, Washington State needs to adopt a strategy of providing annual operating subsidies to providers of off-farm housing. We need to treat off-farm housing identical to other state-supported institutions that are not self-supporting, such as homeless shelters and institutions of higher learning.

The belief that on-farm housing is the only solution to the migrant housing problem rests on several incorrect assumptions. One assumption is that in the past, growers provided sufficient housing for migrant farmworkers. History has demonstrated the fallacy of this assumption. On-farm housing has never been close to sufficient to meet the demands of migrant workers.

A second incorrect assumption is that growers can not provide housing because the tree fruit industry is economically depressed. One of the greatest explosions in the tree fruit industry occurred in the 1980's when apple acreage in Grant County grew from 2,600 acres in 1982 to 24,000 acres 1992. Yet while there was an almost 10-fold increase in acreage there was hardly any increase in on-farm migrant housing.

A third incorrect assumption is that over-burdensome regulations impair the development of on-farm housing. Historically, enforcement of existing regulations to migrant farmworker housing has been practically non-existent. Because of this lack of government oversight, growers could build housing relatively free of any concern that housing built contrary to the regulations would result in any monetary loss. Nonetheless, on-farm housing units were not produced in any significant numbers.

There are many reasons why growers do not build and manage housing for migrant farmworkers. They do not have the education or experience in housing construction and management necessary to make it efficient. Moreover the nature of the harvest creates incentives against providing safe sanitary housing. Most harvests only require a month or less of intensive farmworker assistance. Creating safe and sanitary housing for such short stays may therefore seem expensive and unnecessary. In addition, a grower's labor camp is occupied at the busiest time of his year, during harvest; a time at which all of a grower's time and energy is focused on getting his crop off the trees and into the packing shed. He has little ability to focus on the housing needs of his workers during this busy time. It is these dynamics, as well as the cost, that deter growers from building housing. And no amount of cheap money will alter these dynamics.

Even growers acknowledge the role these dynamics play in deterring growers from building on-farm housing. The July, 2004 issue of The Goodfruit Grower interviewed Mike Gempler, Executive Director of the Washington Growers League, concerning labor issues in the tree fruit industry.

Most growers do not have the time, skill, or technical inclination it takes to develop and manage employee housing. Housing is expensive to build and regulatory fines for noncompliance can be severe.

Off-farm housing provides a more efficient model and a better use of available housing resources. On-farm housing will only be occupied during the farm's individual harvest. Most harvests last less than a month, and for some cherry growers, harvest is only 15 days long. Once a grower the harvest is over, the on-farm housing is shut down, to remain idle for the other 11

months of the year. By contrast, off-farm housing can be used for the entire harvest and in some cases for harvesting more than one crop. Thus, off-farm housing may have beds available for migrant farmworkers for up to six months, whereas on-farm housing may have beds available for as little as 15 days.

Another advantage to off-farm housing is that off-farm housing is professionally managed. In addition, farmworkers living in off-farm housing will not be so closely tied to a particular grower. With on-farm housing, a farmworker is reluctant to complain about labor conditions for fear of losing housing for himself and for his family, and he is reluctant to complain about housing conditions for fear of losing his job.

Washington must promote more subsidized, off-farm housing for migrant farmworkers. Until the Grant County Housing Authority built the Esperanza project in Mattawa in 1999, the State had only one strategy to solve the migrant farmworker housing problem and that strategy was grower-provided housing. We have almost 100 years of historical evidence that this strategy does not work, and there is no rational basis to think that it will work in the future.

b. *The plan should adopt the following strategies to promote migrant farmworker housing development.*

We recommend that the draft Consolidated Plan be revised to include the following strategies for developing additional farmworker housing in the State of Washington:

- The establishment of annual operating subsidies to assist non-profit operators of off-farm housing in paying their annual operating expenses.
- The elimination of the prohibition against building farmworker housing that is found in leases from the Department of Natural Resources to growers. At the present, the standard DNR leases prohibit growers from building migrant farmworker housing on the leased land. Thus, the State is increasing the demand for migrant farmworkers by making land available to be developed into agricultural land, while at the same time exacerbating the migrant farmworker housing problem by preventing the grower-lessee from providing housing for his workers.
- Supporting amendments to local zoning laws to permit non-growers to develop migrant farmworker housing in rural areas. Zoning laws in many counties allow only growers to build and operate migrant farmworker housing in rural areas. If these zoning laws were changed to allow non-profit entities such as housing authorities to develop migrant farmworker housing, more land would become available to house farmworkers.
- Make surplus public land available for non-profits to build migrant farmworker housing. The Department of Natural Resources owns land in rural areas that could be used for migrant farmworker housing. Current law requires the DNR to sell this land at fair

market value. This law could be amended to permit the DNR to donate or lease this land at a nominal value to non-profits to build migrant farmworker housing.

- Develop an infrastructure loan program to loan money at low interest rates to those growers who want to build on farm housing.

4. Mobile Home Park Tenants.

As currently drafted, the Consolidated Plan fails to separately discuss the housing needs of an important segment of our population, mobile home park tenants. While the plan does propose setting aside a modest sum of HOME funds to assist displaced tenants in purchasing newer mobile homes, this simply does not go far enough to address the needs of Washington's manufactured housing owners.

There are currently more than 2,500 mobile home parks in Washington which provide spaces for more than 242,000 households. Mobile home parks provide affordable homeownership opportunities for many thousands of low income families, seniors, low wage workers, and people living on fixed incomes. Redevelopment and increased land values have threatened this vital stock of affordable housing in many parts of the state. CTED should make the preservation of these valuable housing assets a priority.

Though focusing on assisting home owners who have been displaced in moving their homes is valuable, CTED should place the most emphasis on actually preserving mobile home parks that are now at risk of being closed or converted to other uses. Where this is not possible, these funds should be used to develop new parks in order to replace the lost housing stock. CTED's plan does not adequately address the most serious problem facing manufactured home owners in Washington, the on-going threats to their parks. CTED should put its emphasis into preserving parks.

In fact, there already exists a funding mechanism to accomplish such a goal. In 1993, the legislature passed a law requiring the establishment of a mobile home park purchase fund: RCW 59.22.030. Regrettably, there has yet to be any money made available for this fund. The Department should use CDBG and HOME monies to initially fund this account and adopt as an objective or strategy plans to replenish these funds through other state revenues. The preservation of existing parks is the most vital issue facing manufactured home owners in Washington state. CTED's plan should reflect this reality.

CONCLUSION

As noted above, there are a number of issues that need to be addressed further before a final Consolidated Plan is submitted to the United States Department of Housing and Urban Development. In particular, CTED should more carefully identify the housing problems faced by extremely low-income households and give much higher priority to serving these families.

We also think that the Consolidated Plan should be seen as a work in progress. We would like to see the Department make a commitment in the plan to spend the next twelve months identifying and addressing the barriers that historically have prevented the agency from serving a greater number of extremely-low income households with its HOME, CDBG and HTF funds.

Please send us a final copy of the Washington State 2005 Consolidated Plan when it has been submitted to HUD, together with copies of all public comments.

Sincerely,

Columbia Legal Services

Gregory D. Provenzano
Nick Straley
Ishbel Dickens
Robbie Scott
Attorneys at Law



**STATE OF WASHINGTON
DEPARTMENT OF COMMUNITY,
TRADE AND ECONOMIC DEVELOPMENT**

CTED Response:

We recognize familiar themes that are presented by Columbia Legal Services and appreciate the continued advocacy to champion the critical needs of people with extremely low incomes in Washington State, particularly those who are homeless and at-risk renter households. There are many suggestions for ways in which the Consolidated Plan could be better organized and where more information or analysis could be added. These are very helpful observations and CTED will endeavor to incorporate many of the suggestions as part of CTED's effort to improve program delivery and customer service. As we have emphasized in prior Plans, the Consolidated Plan is not a static document. We are committed to working with Columbia Legal Services, other public funders and other community organizations to develop and publish timely performance reports so that we can identify and address those areas in our Consolidated Plan that may warrant change.

We disagree with the assertion that CTED has disregarded HUD regulations so that we can maintain program flexibility at the behest of project sponsors. This comment was in specific reference to HUD's Table 2A and CTED's decision not to designate any category as a low priority. HUD does not require that one or more categories be designated as low priority for Table 2A or 2B. We believe it is critical that we refrain from being so prescriptive so as to limit how our partners in the community are conceiving their priority projects. Furthermore, by tracking the actual recipients of services in our portfolio we hope to ameliorate the concerns over CTED's decision to forgo low priorities in the Consolidated Plan.

We re-examined the goals in Table 2A as they relate to elderly households and agree that they were inconsistent with the designated priority level. The target goals have accordingly been adjusted in Table 2A.

We have chosen not to include the many suggested strategies such as "Significantly increase the rental assistance and operating subsidies for developments housing extremely limited income and special needs households." There are a couple of reasons for this decision. First, we would like community discussion on any additional strategies and action steps that may be added to the Consolidated Plan. This can be accomplished during the development process for the annual Action Plan, which is an automatic update to the five-year Consolidated Plan. Therefore, we will reserve consideration on the specific suggestions made by Columbia Legal Services for future amendments to the Consolidated Plan. Secondly, some of the suggested strategies are not within the purview of the Consolidated Plan and therefore outside the scope of the Plan. For example, the Consolidated Plan does not cover the state's Emergency Shelter Assistance Program (ESAP) and therefore a strategy that would involve actions to return funding of ESAP through state general revenues is not appropriate.

In the past, CTED had written the Consolidated Plan much more broadly and we had tried to incorporate other housing plans such as the Affordable Housing Advisory Board's (AHAB) housing plan into the Consolidated Plan. This approach is changed and starting with the 2005 - 2009 Consolidated Plan, we have transitioned to a more focused and streamlined Consolidated Plan that mainly addresses the federal funds that are received through HUD: HOME (including ADDI), CDBG, ESG and HOPWA. In this way, CTED can be clearer on the intent and use of federal funds and bring proper perspective to the role HOME, CDBG, ESG and HOPWA programs have on the state's overall housing and community development efforts.

Although the Consolidated Plan is separate from AHAB's Housing Advisory Plan CTED has worked closely to ensure that the Plans are consistent and supportive of each other. In that regard, the federal programs administered by CTED will work closely with AHAB in any discussion on how local jurisdictions address the housing needs of the lowest income households and on what barriers exist that prevent housing developers from serving a greater number of extremely low income households. We will continue to ask these questions and appreciate the support and participation of organizations such as Columbia Legal Services in this process.

Regarding farm worker housing, we agree that on-farm housing is not the only solution to the migrant farm worker housing problem, although grower-provided housing plays an important role in meeting the needs of migrant workers. CTED intends to continue working with organizations such as the Washington Growers League and the Office of Rural and Farmworker Housing to create new models for increasing grower investments in seasonal housing, both on-farm and off-farm. Many of the various strategies suggested to increase farm worker housing are outside the purview of the Consolidated Plan such as suggestions to amend the law to permit the Department of Natural Resources to donate or lease land at a nominal value to build migrant farm worker housing. Others will be considered as part of future amendments to the Consolidated Plan. The suggested re-write on the farm worker housing infrastructure grant program has been made in the Consolidated Plan.

The CDBG program intends to continue to make public service funding available up to the 15 percent, through its Public Service Grants or as a component of a larger CDBG eligible project. Under both circumstances, services for homeless persons, such as case management and supportive services, continue to be eligible for CDBG funding.

Lastly, we agree that a separate stand-alone objective addressing ending homelessness would have been useful in the Consolidated Plan. We decided to wait until other homeless initiatives and plans were more fully developed and roles further defined before determining how the state's federal resources are best used within this context. In addition to AHAB's objective to implement an executive branch initiative to end homelessness in ten years, there are efforts currently underway to implement an Action Plan to end chronic homelessness that was developed by the Policy Academy on Chronic Homelessness. The Policy Academy is a group of state and community leaders that were convened by Health and Human Services and Housing and Urban Development to build an Action Plan to end chronic homelessness within the state and eventually across the nation. Additionally, the State Advisory Council on Homelessness is discussing ways in which the preliminary Plan can be further developed and how the Policy Academy Plan relates to AHAB's Housing Advisory Plan. Because there are multiple plans and

multiple groups engaged in similar activities, CTED decided to narrowly focus the homeless objectives in the Consolidated Plan to just how ESG funds will be used in the coming year. As the broader activities of the Policy Academy, AHAB and the State Advisory Council on Homelessness are further clarified, we will begin to enhance the state's discussion and consideration of a 10-year plan to end homelessness for the Consolidated Plan.

November 1, 2004

Dear Suzanne:

Thank you for this opportunity to comment on the Draft State 2005-2009 Consolidated Plan. On behalf of the Office of Rural and Farmworker Housing, I offer the following comments:

We appreciate and strongly support including on page II-6 Goal 1 Objective H: Increase the availability of safe, affordable housing for migrant and seasonal farm workers and their families. Strategy 1): Invest in a variety of sustainable housing options for migrant and seasonal farm workers, including permanent, temporary, and community-based emergency housing.

Noting that the resources listed for Goal 1 Objective H include both HOME and HTF, the performance measures detailed on pages II-14 and II-25 are very modest, especially in comparison to the extensive need. We are also concerned about the relative allocation of resources to these three types of farm worker housing, particularly permanent and seasonal-occupancy. We urge the Department to follow the recommendations of the AHAB Farm Worker Housing Subcommittee that 75% of Farm Worker Housing Set-Aside Funds be used for permanent housing. This is supported by the September 2000 *Migrant and Seasonal Farmworker Enumeration Profiles Study: Washington*, by Alice Larson, which found the majority of farm workers in our state are local residents. The subcommittee brought together a broad range of providers, developers, advocates and agricultural industry representatives who worked long and hard to reach consensus on their recommendations. If the Department believes that these recommendations for resource allocation need to be updated, we urge reconvening the Subcommittee.

We also appreciate including in the Assessment of Gaps in the Delivery System on page II-42 that, "Funding sources for meeting operations and maintenance of special needs housing and temporary housing for migrant farm workers continue to be needed."

In the discussion of Non-Profit Developers and Capacity Builders on page II-41, funds for technical assistance and capacity building are critical for most, if not all rural housing providers, not just new organizations and existing agencies that are expanding their mission. As noted, there are few non-profit developers outside of the major metropolitan areas. Those few continually struggle for funds to expand capacity and provide technical assistance to local providers.

While we have limited our comments on the draft Plan, we also wish to compliment the Department on the obvious thought, care and public involvement that went into this year's plan. Please don't hesitate to contact me if you have questions or would like to discuss any of our comments.

Brien Thane
Office of Rural and Farmworker Housing
509-961-0377 (direct)
brient@orfh.org



STATE OF WASHINGTON
DEPARTMENT OF COMMUNITY,
TRADE AND ECONOMIC DEVELOPMENT

CTED Response:

The various comments and suggestions on the Consolidated Plan were appreciated. We believe the performance measures to be reasonable estimates given historical data, existing obligations, and the uncertainty of continued funding levels in ensuing biennia. CTED's investments in farm worker housing over the past five years have been largely consistent with the AHAB recommendation. Since 1999, 72 percent of CTED's total investments in farm worker housing have been the development of permanent housing. CTED intends to continue to honor the AHAB recommendation to the greatest extent possible. Other suggestions regarding language change on capacity building have been incorporated in the Consolidated Plan.

November 1, 2004

Suzanne Kleck
128 10th Avenue Southwest
Olympia, WA 98504
suzannek@cted.wa.gov

From: Bob Swanson, Executive Director
Washington State Community Action Partnership

Re: 2005-2009 Consolidated Plan

The presentation of problems afflicting low-income and working poor people in the state of Washington was well presented in the draft plan. The concern about homelessness is commendable and coincides with the Community Action network's commitment to provide affordable housing in all of the counties we serve. As presented on page P-6, Employment opportunity and affordable housing were the highest priorities identified by Community Action Agencies in the non-entitlement counties of the state. Another key finding was on page P-3 when discussing the need for affordable housing the plan states: "The Washington Center for Real Estate Research at Washington State University found a total of 46,275 one-bedroom and 39,168 two-bedroom apartment units that were affordable for very low-income households (those earning less than 50 percent of median income). While this may seem like a large number, the 2000 Census counted 486,050 very low-income households in the state. The supply of affordable rental units for very low-income families is very limited. The situation is even worse for extremely low-income households. Only 543 affordable units were found to be affordable to extremely low-income households (those earning less than 30 percent of median income). Only eight out of the 23 counties surveyed had any affordable units for families in this income category."

It is imperative that housing programs at these Community Action Agencies are supported. After reviewing the faxed memo from Kaaren Roe from CTED regarding the issue of what housing projects can be supported with CDBG Public Service dollars, I see a different decision regarding expenditures for housing related program elements than in the last 11 years of using these funds. This is unfortunate, since the low-income people in these communities that have had housing support from the Public Service dollars have benefited and become more self-sufficient. What is also clear to us is that the language regarding continuation of the use of the funds in the current way reads: "The State may continue to use CDBG funds in this way. However, we recommend that the Method of Distribution in the Action Plan be

revised to clearly indicate that these housing-related activities can be undertaken with the public service pass through funds. Additionally, any agency that uses CDBG funds for these types of activities must clearly understand that different regulations apply.” We strongly recommend that the literal interpretation is that the Community Action Agencies should continue to be allowed to use the Public Service funds as they have for over a decade.

As indicated in public hearings on the Plan, we are very concerned about the language on page II-8 which states:

“Strategy 3): Seek stable state, federal or local resources to replace CDBG Public Service Grants that currently supplement Community Services Block Grants awarded to community action agencies.” It was not only the Community Action network asking that this language be changed, but others from other community-based-organizations. We all insisted that the Public Service dollars should all be dedicated to Community Action Agencies, and that efforts should be made to increase this pool of resources to be able to distribute more funding to local communities. Thus, we repeat our belief that the Public Service funds should continue to be used for future good works for low-income people as they have in the past eleven years. We will work together with you to find ways of increasing these funds so that additional outcomes can be realized for those in need in these communities. We know that not all the total of fifteen percent of allowable Public Service funding goes to Community Action Agencies. We have in the past received all of the fifteen percent and would ask that the full amount be dedicated to the twelve CAAs.

We firmly believe that community based projects that generate activities, resources and programs to provide low-income people in Washington to be able to better their lives and become more self-sufficient is an end result of the use of CDBG Public Service funding. We ask that these efforts be continued and that additional support be found to add capacity to the agencies in their work.

We are the only statewide safety net for Washington’s poor.

If you have any questions, please contact me at bobswanson@wapartnership.org, or my cell at 206-850-2508.



STATE OF WASHINGTON
DEPARTMENT OF COMMUNITY,
TRADE AND ECONOMIC DEVELOPMENT

CTED Response:

Given the draft strategies and reallocation impacting the CDBG Public Service Grants and funding of community action agencies, we appreciated receiving these comments. We have reviewed the CDBG Program's options for providing support for housing rehabilitation and construction activities, both with HUD and CTED management, and at this time we intend to continue targeting the public service funds only towards public service activities that are not eligible for funding through the other CDBG funds and that do not require immediate administrative and contracting changes to the Public Service Grant program. Recognizing the value of housing services to low-income persons and households, we will continue to consider such activities as housing counseling and supportive services for the homeless as eligible public service activities. The state CDBG Program will continue to support planning, acquisition, infrastructure and rehabilitation of housing for lower income households through its other funds, including Housing Rehabilitation, Housing Enhancement, Planning-Only and General Purpose Grants.

We have revised the final wording of Strategy 2.C.3). We recognize this strategy does not seek to necessarily increase the net pool of resources, as you requested. The strategy does build in flexibility and state the CDBG Program's intent to continue its support of the community action agencies, while acknowledging the potential decrease of formula allocated CDBG public service funds as other stable and more flexible resources are secured for the community action agencies.

As one of the few state CDBG programs regularly funding public services, we are pleased to support the good work provided by the community action agencies and other service providers in the state's non-entitlement areas. As stated in Strategy 2.C.1) of the 2005-2009 Consolidated Plan, we intend to continue the funding of locally-prioritized public services, up to the 15 percent cap, through a public service grant program and as part of the other CDBG funding cycles. However, we do not have the local government support to increase the amount dedicated through a formula allocation to the eligible community action agencies.